

FINANCE ACT 2013

EXPLANATORY NOTES

INTRODUCTION

Section 219, Schedule 46: Ordinary Residence

Summary

1. [Section 219](#) and Schedule 46 remove the concept of ‘ordinary residence’ from nearly all primary tax legislation (see Background for details of references retained). In many provisions, where the term ‘ordinarily resident’ is used on its own it is replaced by ‘resident’. And, where there is a requirement to be both resident and ordinarily resident, the requirement will be simply ‘resident’. Ordinary residence is important in relation to the taxation of individuals claiming the remittance basis. That basis of taxation will no longer be available on the grounds of being not ordinarily resident in the UK. With the abolition of ordinary residence, availability of the special relief in respect of overseas earnings due to remittance basis claimants (commonly called ‘overseas workday relief’) will depend on how long the individual has been resident in the UK. For several reliefs that depend on the individual being not ordinarily resident, transitional provisions ensure that an individual will retain relief for so long as he or she would have done so under current law.

Details of the Section

2. Subsection (1) introduces the Schedule.
3. Subsections (2), (3), (6) and (7) provide that the Treasury may by statutory instrument make further provision removing or replacing rules relating to ordinary residence which may be retrospective back to the start of the year in which the order is made. Such an order is subject to the affirmative resolution procedure, so is subject to debate in the House of Commons.
4. Subsections (4), (5), (6) and (8) provide that the Treasury may by statutory instrument make other provision which is incidental to provisions in the Schedule or in an order under subsection (2). Such an order is subject to the negative resolution procedure.

Details of the Schedule

Part 1

Income tax and capital gains tax: remittance basis of taxation

Remittance basis restricted to non-doms

5. Paragraph 2 amends section 809A of ITA. The remittance basis of taxation in Chapter A1 of Part 14 of ITA will be available only to an individual who is not domiciled in the UK. An individual who is domiciled in the UK, but not ordinarily resident, will not be able to claim the remittance basis for 2013-14 onwards (subject to transitional provisions).

6. Paragraph 3 makes amendments to section 809B of ITA to restrict the remittance basis to non-domiciled individuals. Section 809B(2) is repealed because a claim to the remittance basis can be made only on the basis of being non-domiciled.
7. Paragraphs 4 and 5 make corresponding changes to sections 809D and 809E of ITA.

Treatment of relevant foreign earnings

8. Paragraph 7 amends section 22 of ITEPA. That section provides that where the remittance basis applies and the employee is ordinarily resident in the UK, 'chargeable overseas earnings' are taxed only to the extent to that they are remitted to the UK. With the abolition of ordinary residence, section 22 will apply where the employee does not meet the requirement of new section 26A of ITEPA (see commentary in paragraph 11 below).
9. Paragraph 8 amends section 23 of ITEPA which defines 'chargeable overseas earnings' for the purposes of section 22. The condition that an employee is ordinarily resident is replaced by a condition that the employee is outside new section 26A.
10. Paragraph 9 amends section 26 of ITEPA. That section provides that where the remittance basis applies and the employee is not ordinarily resident in the UK, earnings in respect of overseas duties (other than from Crown employments) are taxed only to the extent that they are remitted to the UK. With the abolition of ordinary residence, section 26 will apply where the employee meets the requirement of new section 26A. This provision is often known as overseas workday relief.
11. Paragraph 10 inserts new section 26A into ITEPA. A UK resident employee is within this section for a tax year X if he or she has been non-resident for three consecutive tax years and that year X is any of the three years immediately following that spell of non-residence.
12. Paragraph 11 replaces the references to being ordinarily resident in section 41C(4) of ITEPA and not ordinarily resident in section 41C(6) with requirements to be outside or within section 26A respectively.
13. Paragraph 12 replaces the references to being ordinarily resident in section 271(2)(a) of ITEPA and not ordinarily resident in section 271(2)(b) with requirements to be outside or within section 26A respectively.
14. Paragraph 13 replaces the reference to being ordinarily resident in section 554Z9(1)(c) of ITEPA with a reference to being outside section 26A.
15. Paragraph 14 replaces the reference to being not ordinarily resident in section 554Z10(1)(c) of ITEPA with a reference to being within section 26A.
16. Paragraph 15 replaces the references to being not ordinarily resident in section 690(1)(a) and (2A) of ITEPA with a reference to being within section 26A and being not domiciled in the UK respectively.

Consequential amendments

17. Paragraph 16 replaces the references to being ordinarily resident in section 266A(8)(a) of ICTA and not ordinarily resident in section 266A(8)(b) with requirements to be outside or within section 26A respectively.
18. Paragraph 17 substitutes section 12(1) of TCGA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual.
19. Paragraph 18 amends section 87B of TCGA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual.

20. Paragraph 19 substitutes section 726(1) of ITA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual.
21. Paragraph 20 substitutes section 730(1) of ITA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual.
22. Paragraph 21 amends section 735(1) of ITA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual.
23. Paragraph 22 amends section 809F(4) of ITA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual.
24. Paragraph 23 amends section 809YD(3) of ITA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual.
25. Paragraph 24 amends section 809Z7(2)(d) of ITA to reflect the fact that the remittance basis can only be claimed by a non-domiciled individual and replaces the reference to being ordinarily resident in section 809Z7(3)(a) with a reference to being outside section 26A.

Commencement

26. Paragraph 25 provides that the amendments made by Part 1 of this Schedule apply to an individual's foreign income and gains for 2013-14 onwards.

Savings

27. Paragraph 26 contains transitional provisions which apply where an individual is not ordinarily resident at the end of the tax year 2012-13 and that year is the first, second or third year of residence. It reflects the fact that an individual, unless having established an intention to settle in the UK, would have been regarded as not ordinarily resident for a maximum of three years (typically straddling four tax years). So provisions amended by this Part will continue to apply on the basis of current law for 2013-14 (where that is the fourth year of residence), for 2013-14 and 2014-15 (where they are the third and fourth years of residence) or for 2013-14, 2014-15 and 2015-16 (where they are the second, third and fourth years of residence).

Interpretation

28. Paragraph 27 attracts the meaning of 'foreign income and gains' in section 809Z7 of ITA to provisions in this Part.

Part 2

Income tax: arising basis of taxation

ICTA 1988

29. Paragraph 28 removes references to 'ordinarily resident' from section 614 of ICTA.

ITEPA 2003

30. Paragraph 30 amends a reference in section 56(5)(a) of ITEPA to being ordinarily resident outside the UK to a reference to being within section 26A and removes a similar reference from section 56(5)(b).
31. Paragraph 31 amends a reference in section 61G(5)(a) of ITEPA to being ordinarily resident outside the UK to a reference to being within section 26A and removes a similar reference from section 61G(5)(b).
32. Paragraph 32 amends section 328(5) of ITEPA as a consequence of changes made to section 378 of ITEPA (see commentary in paragraph 37 below).

*These notes refer to the Finance Act 2013 (c.29)
which received Royal Assent on 17 July 2013*

33. Paragraph 33 removes a reference to ordinarily resident from section 341(3) of ITEPA.
34. Paragraph 34 removes a reference to ordinarily resident from section 342(6) of ITEPA.
35. Paragraph 35 removes a reference to ordinarily resident from section 370(6) of ITEPA.
36. Paragraph 36 removes a reference to ordinarily resident from section 376(1)(b) of ITEPA.
37. Paragraph 37 amends section 378 of ITEPA which, in conjunction with the other provisions in Chapter 6, provides an exemption for certain earnings of seafarers who are ordinarily resident in the UK or resident in an EEA State provided that various conditions are met. The exemption will now apply on the basis of residence in the UK or in an EEA State which allows the structure of section 378 to be simplified. As part of the simplification of section 378, the provision in subsection (5)(b) which means that remittance basis claimants are not entitled to seafarers' earnings deduction, is omitted.
38. Paragraph 38 inserts two new subsections (2A) and (3ZA) into section 413 of ITEPA. The old rules setting out what constitutes 'foreign service' are retained for service prior to 6 April 2013.
39. New subsection (2A) provides that for 2013-14 onwards service will only count as 'foreign service' where the earnings are not 'relevant earnings' and to the extent that the duties are performed outside the UK. The provision whereby service for which earnings are subject to the deduction from seafarer's earnings under Chapter 6 of Part 5 of ITEPA also counts as 'foreign service' is retained.
40. New subsection (3ZA) defines 'relevant earnings' for the purposes of new subsection (2A). With the abolition of ordinary residence, relevant earnings are defined for 2013-14 onwards in terms of earnings within section 15 of ITEPA directly or which would fall under that section even if a remittance basis claim under section 809B of ITA were made. The savings provisions in paragraph 73 apply for the purposes of sections 413 and 414 of ITEPA. For 2013-14 onwards an anomaly in the old rules is corrected whereby for an individual who was resident but not ordinarily resident, all service, including UK duties, could count as 'foreign service'. For 2013-14 onwards, service under a contract providing for both UK and overseas duties which could be subject to overseas workday relief under section 26 of ITEPA will be apportioned.
41. Paragraph 39 substitutes section 681A(4) of ITEPA which concerns the conditions for exemption from tax in respect of certain foreign state benefits paid to consular officers and employees. The reference to the individual being not ordinarily resident prior to taking up duty in the UK is replaced by a reference to being not UK resident for the two preceding tax years.
42. Paragraph 40 omits paragraph 8(2)(b) of Schedule 2 to ITEPA. In order for a share incentive plan to be an approved plan it must be open to all individuals who are both resident and ordinarily resident (as well as the individuals meeting other conditions). The amendment removes the ordinary residence condition in respect of plans approved on or after the day this Act was passed.
43. Paragraph 41 omits paragraph 6(2)(ca) of Schedule 3 to ITEPA. In order for a SAYE option scheme to be approved it must be open to all individuals who are ordinarily resident (as well as the individuals meeting other conditions). The amendment removes the ordinary residence condition in respect of option schemes approved on or after the day this Act was passed.
44. Paragraph 42 removes a reference to ordinarily resident from paragraph 27(3)(b) of Schedule 5 to ITEPA.

ITTOIA 2005

45. Paragraph 44 amends section 154A(1) of ITTOIA so that the exemption for profits on War Loan securities operates on the basis of the holder being non-resident rather than being not ordinarily resident. This does not affect the way in which the exemption applies to existing holders of War Loan securities (see the commentary in paragraphs 99 and 100 below).
46. Paragraph 45 amends section 459(2) of ITTOIA so that it refers to an individual who is resident rather than ordinarily resident in the UK. This reflects changes made to the basis on which the provisions of Chapter 2 of Part 13 of ITA (transfer of assets abroad) operate.
47. Paragraph 46 substitutes section 468(2) of ITTOIA so that the reference to an individual who is ordinarily resident is changed to one who is UK resident, reflecting changes to the transfer of assets abroad regime. The amendment also corrects an error – the words ‘of ICTA’ should have been repealed by ITA 2007.
48. Paragraph 47 amends section 569(2) of ITTOIA so that it refers to an individual who is resident rather than ordinarily resident in the UK. This reflects changes to the transfer of assets abroad regime.
49. Paragraph 48 removes a reference to ordinarily resident from section 636(2)(b) of ITTOIA in respect of income arising from 6 April 2013.
50. Paragraph 49 removes a reference to ordinarily resident from section 648(1)(b) of ITTOIA.
51. Paragraph 50 removes a reference to ordinarily resident from section 651(3) of ITTOIA.
52. Paragraph 51 removes a reference to ordinarily resident from section 664(2)(b)(i) of ITTOIA.
53. Paragraph 52 amends section 715 of ITTOIA to reflect the fact that the exemption condition attaching to FOTRA securities (as set out in section 713(2)(a) of ITTOIA) will change to the holder being non-resident rather than being not ordinarily resident for securities issued on or after 6 April 2013. Where the security was acquired by the trust before 6 April 2013 the existing references to the ordinary residence status of the beneficiaries remain in force.
54. Paragraph 53 substitutes section 771(4) of ITTOIA which concerns the conditions for exemption from tax in respect of relevant foreign income of consular officers and employees. The reference to the individual being not ordinarily resident prior to taking up duty in the UK is replaced by a reference to being not UK resident for the two preceding tax years.

ITA 2007

55. Paragraph 55 removes a reference to ordinarily residence from section 465(4) of ITA.
56. Paragraph 56 substitutes section 475(1) of ITA to remove reference to the ordinary residence status of the body of trustees. There are corresponding changes to section 475(2) and (3). Section 475 is further amended by Part 3 of the statutory residence test.
57. Paragraph 57 removes references to the ordinary residence status of a settlor from section 476(2)(b) and (3)(b) of ITA. In the case of a settlement arising on the settlor’s death the change only applies to deaths on or after 6 April 2013. In the case of other settlements the change only applies where the settlement is made on or after 6 April 2013.
58. Paragraph 58 removes a reference to ordinarily resident from section 643(1) of ITA.

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which received Royal Assent on 17 July 2013*

59. Paragraph 59 removes a reference to ordinarily resident from section 718(2)(b) of ITA.
60. Paragraph 60 removes the word 'ordinarily' from section 720(1) of ITA. This is the first of a number of amendments to the transfer of assets abroad provisions in Chapter 2 of Part 13 of ITA which ensure that the provisions will apply in future where the individual subject to the charge is resident rather than ordinarily resident.
61. The savings provisions in paragraph 73 apply for the purposes of the transfer of assets abroad provisions in Chapter 2 of Part 13 of ITA.
62. Paragraph 61 amends section 721 of ITA to reflect the fact that the provision applies to a UK resident individual.
63. Paragraph 62 amends section 727 of ITA to reflect the fact that the provision applies to a UK resident individual.
64. Paragraph 63 amends section 728 of ITA to reflect the fact that the provision applies to a UK resident individual.
65. Paragraph 64 amends section 732 of ITA to reflect the fact that the provision applies to a UK resident individual.
66. Paragraph 65 removes a reference to ordinarily resident from section 749(2) of ITA. The change only applies to a transfer or associated operation made on or after 6 April 2013.
67. Paragraph 66 removes a reference to ordinarily resident from section 812(1)(a) of ITA.
68. Paragraph 67 removes a reference to ordinarily resident from section 834(3) of ITA which determines the residence status of an individual's personal representatives. The change only applies where the deceased dies on or after 6 April 2013.
69. Paragraph 68 amends section 858 of ITA so that a declaration made by an individual to enable a deposit taker or building society to pay interest without deduction of tax is that the person entitled to the interest is not resident rather than not ordinarily resident. Similarly, the undertaking given to notify becoming ordinarily resident will be an undertaking to notify becoming UK resident. This is the first in a number of similar provisions and they all come into force on 6 April 2014 instead of the general commencement date for this Schedule of 6 April 2013.
70. Paragraphs 68 to 71 do not affect declarations and undertakings given before 6 April 2014 which will continue to operate on the basis of declaring and notify changes to ordinary residence status.
71. Paragraph 69 makes corresponding amendments to section 859 of ITA in respect of a declaration and undertaking given in respect of members of a Scottish partnership.
72. Paragraph 70 makes corresponding amendments to section 860 of ITA in respect of a declaration made by a personal representative of an individual who was not ordinary resident immediately before death.
73. Paragraph 71 makes corresponding amendments to section 861 of ITA in respect of a declaration and undertaking given by the trustees of a settlement in respect of the beneficiaries of the settlement.
74. Paragraph 72 provides that the amendments made by Part 2 have effect for 2013-14 onwards unless otherwise stated.
75. Paragraph 73 provides transitional provisions for sections 413 and 414 of ITEPA (foreign service termination payments) and Chapter 2 of Part 13 of ITA (transfer of assets abroad). They apply where an individual is not ordinarily resident at the end of the tax year 2012-13 and that year is the first, second or third year of residence. It reflects the fact that an individual, unless having established an intention to settle in the UK would have been regarded as not ordinarily resident for a maximum of 3 years

(typically straddling four tax years). So the provisions specified will continue to apply on the basis of current law for 2013 - 14 (where that is the fourth year of residence), for 2013-14 and 2014-15 (where they are the third and fourth years of residence) or for 2013-14, 2014-15 and 2015-16 (where they are the second, third and fourth years of residence), provided in the case of termination payments that the employment in question began before 6 April 2013.

Part 3

Capital gains tax: accruals basis of taxation

TCGA 1992

76. Paragraph 75 amends section 2 of TCGA. At present the charge to capital gains tax is on all gains for a year during any part of which the person is resident or ordinarily resident. From 2013-14 ordinary residence ceases to be a factor and the charge is on gains arising if the residence condition is met. In new subsection (1A) the residence condition is expressed separately for the various categories of person chargeable to capital gains tax. In particular, the condition for an individual is based on residence status for the tax year so as to be consistent with the wording of the statutory residence test. Section 2 is further amended by Part 3 of the statutory residence test to provide that for an individual a year of residence may be split into a UK part and overseas part in certain circumstances with the charge restricted according to the period in which the gains accrue.
77. Paragraph 76 amends section 10(1) of TCGA so that instead of a reference to being not resident and not ordinarily resident there is a reference to the residence condition in section 2(1A) not being met.
78. Paragraph 77 removes references to ordinarily resident from section 13 of TCGA.
79. Paragraph 78 amends section 16(3) of TCGA so that instead of a reference to being not resident and not ordinarily resident there is a reference to the residence condition in section 2(1A) not being met.
80. Paragraphs 79 to 81 remove references to ordinarily resident from sections 62(3), 65(3) (b) and 67(6)(a) of TCGA.
81. Paragraph 82 removes references to ordinarily resident from section 69 of TCGA. Section 69 is further amended by Part 3 of the statutory residence test.
82. Paragraphs 83 to 92 remove references to ordinarily resident from sections 76(1B)(a), 80(1), 81, 82(3)(b), 83(1), 83A, 84(1)(b), 85(1), 86 and 87 of TCGA.
83. Paragraph 93 removes references to ordinarily resident and ordinary residence from section 88(1) of TCGA.
84. Paragraph 94 removes references to ordinarily resident and ordinary residence from section 96 of TCGA.
85. Paragraph 95 removes a reference to ordinarily resident from section 97(1)(a) of TCGA.
86. Paragraph 96 removes a reference to ordinarily resident from section 99(1)(c) of TCGA. The ordinary residence status of a company is considered to be equivalent to its residence status.
87. Paragraphs 97 to 102 remove references to ordinarily resident from section 106(5A), 159, 166, 167, 168 and 169(3)(a) of TCGA.
88. Paragraph 103 amends section 199(2) of TCGA so that instead of a reference to being not resident and not ordinarily resident there is a reference to the residence condition in section 2(1A) not being met.

- 89. Paragraph 104 removes references to ordinarily resident from section 261 of TCGA.
- 90. Paragraph 105 removes a reference to ordinarily resident from paragraph 2(7)(a) of Schedule 1 to TCGA.
- 91. Paragraph 106 removes references to ordinarily resident from paragraph 5 of Schedule 4A to TCGA and amends the language of paragraph 6 to refer to the residence condition in section 2(1A). Since the condition in paragraph 6 looks back to the residence and ordinary residence status of the five previous years that condition is applied to years before 2013-14 as if the amendments in this paragraph had not been made.
- 92. Paragraph 107 removes references to ordinarily resident from paragraphs 4, 5, 9 and 10 of Schedule 4C to TCGA and amends the language of paragraph 1A(3) to refer to the residence condition in section 2(1A).
- 93. Paragraph 108 removes references to ordinarily resident from paragraphs 2A and 9 of Schedule 5 to TCGA.
- 94. Paragraph 109 removes references to ordinarily resident from paragraphs 2, 3, 4 and 5 of Schedule 5A to TCGA.
- 95. Paragraph 110 removes references to ordinarily resident from paragraphs 1, 3 and 19 of Schedule 5B to TCGA.
- 96. Paragraph 111 removes a reference to ordinarily resident from paragraph 8 of Schedule 7C to TCGA by substituting paragraph (a).
- 97. Paragraph 112 provides that the amendments made by Part 3 have effect for 2013-14 onwards unless otherwise stated.

Part 4

Other amendments

FA 1916

- 98. Paragraph 113 repeals section 63 FA 1916 which is obsolete.

F(No.2)A 1931

- 99. Paragraph 114 amends section 22 of F(No.2)A 1931 so that with effect from Royal Assent FOTRA securities may be issued with the condition for exemption based on the beneficial owner being not resident in the UK rather than being not ordinarily resident in the UK. This change does not affect the taxation treatment of any securities which are issued before this Act was passed (for which the exemption continues to be based on being not ordinarily resident) except where the beneficial owner acquired the security on or after 6 April 2013. So, for example, the inheritance tax provisions in sections 6(2) and 48(4) of IHTA 1984 will continue to apply to securities issued on the basis of exemption for persons not ordinarily resident provided that the beneficial owner acquired them before 6 April 2013.
- 100. The other exemptions for FOTRA securities are contained in section 714 of ITTOIA for income tax, section 1279 of CTA 2009 for corporation tax and section 115 of TCGA (a wider general gilts exemption) for capital gains tax. Where a person acquires a FOTRA security on or after 6 April 2013, paragraph 114(5) provides that the exemption is based on being non-resident in the UK even though the exemption stated in the terms of issue was based on being not ordinarily resident.

TMA 1970

- 101. Paragraph 116 removes a reference to ordinarily resident from section 98(4E)(d) of TMA reflecting the change made to section 18 F(No.2)A 2005 by paragraph 136 of this Schedule and the change that will shortly be made to the supporting Authorised Investment Funds (Tax) Regulations 2006 (see Background).
- 102. Paragraph 117 removes a reference to ordinarily resident from paragraph 2(6) of Schedule 1A to TMA.

IHTA 1984

- 103. Paragraph 118 removes references to ordinarily resident from section 157 of IHTA 1984 in cases of death on or after 6 April 2013.

FA 2004

- 104. Paragraphs 119 to 131 remove references to ordinarily resident from pensions provisions in sections 185G(3)(a), 205(3), 205A(3), 206(3), 207(3), 208(4), 209(5), 217(5), 237A(2), 237B(8), 239(4) and 242(3) of FA 2004.
- 105. Paragraph 132 provides that the amendments to the pensions provisions apply from 6 April 2013.

FA 2005

- 106. Paragraph 133 removes a reference to ordinarily resident from section 30(1) of FA 2005 by substituting paragraph (c). The amendment applies from 6 April 2013.

F(No.2)A 2005

- 107. Paragraph 135 removes a reference to ordinarily resident from section 7(3) of F(No.2)A 2005. The amendment applies from 6 April 2013.
- 108. Paragraph 136 removes references to ordinarily resident from section 18(1)(f) and (g) of F(No.2)A 2005.

CTA 2009

- 109. Paragraph 138 removes a reference to ordinarily resident from section 900(2) of CTA 2009. The ordinary residence status of a company is considered to be equivalent to its residence status.
- 110. Paragraphs 139 to 144 remove references to ordinarily resident as applied to personal representatives and individuals in the context of corporation tax provisions concerning estate income and shares or options acquired by employees. The provisions concerned are sections 936(3), 947(2)(b)(i), 1009(5)(a), 1017(4)(a), 1025(5)(a) and 1032(5)(a) of CTA 2009.

CTA 2010

- 111. Paragraph 145 removes references to ordinarily resident and ordinary residence from section 1034 of CTA 2010.

TIOPA 2010

- 112. Paragraph 146 removes a reference to ordinarily resident from section 363A(3) of TIOPA. The ordinary residence status of a company is considered to be equivalent to its residence status.

Constitutional Reform and Governance Act 2010

113. Paragraph 147 removes a reference to ordinarily resident from section 41(2) of the Constitutional Reform and Governance Act 2010.

Background

114. At Budget 2012, the Government announced that it would abolish the concept of ordinary residence. This represents a major simplification to the UK tax system which was welcomed by those who responded to HM Treasury consultations in June 2011 and June 2012. The second consultation included draft legislation which is substantially the same as that in this Schedule except for the simplified new rules relating to overseas workday relief.
115. Three references to ordinary residence have been retained in primary (direct) tax legislation. They are in section 693 of ITTOIA 2005 (Ulster Savings Certificates, which refers to ordinary residence in Northern Ireland), section 38 of ITA 2007 (blind person's allowance which refers to ordinary residence in Scotland or Northern Ireland) and section 841 of ITA 2007 (which concerns the certification of ordinary residence outside the UK by a High Commissioner or Agent-General). The Government does not want to change the scope or application of any of these provisions. In addition, a fourth reference in section 228(6) of TCGA 1992 has been left alone on the basis that the provision is no longer of relevance.
116. The concept of ordinary residence will continue to apply for the time being in circumstances where transitional rules are in point, for example in relation to FOTRA securities issued on the basis that the holder is not ordinarily resident.
117. There are a number of places in secondary legislation where the term 'ordinary residence' is used. Where the term is clearly being used in an income tax context the Government will abolish the reference. Two statutory instruments came into force on 6 April 2013 ([2013/557](#) and [2013/615](#)). A third statutory instrument ([SI 2013/1810](#)) concerning certain rules applying to temporary non-residents (and incidentally removing references to ordinary residence) was laid in July 2013 to apply from 6 April 2013. A fourth statutory instrument concerning Authorised Investment Funds will be laid in time to come into force on 6 April 2014.