# UK’s abolition of non-dom status prompts wealthy exodus led by Dr Ann Kaplan Mulholland



A significant shift in the UK's tax landscape has prompted the departure of high-profile individuals, with Canadian entrepreneur and reality television personality Dr Ann Kaplan Mulholland being one of the most vocal critics. Dr Kaplan, who reportedly has a net worth of £500 million, recently made headlines after leaving the UK due to the abolition of the non-domicile (non-dom) tax status, which exempted wealthy individuals from paying UK tax on their foreign income in certain circumstances.

The decision to dismantle the non-dom status was supported by key figures in the Labour Party, including Rachel Reeves. Dr Kaplan termed this move an "astronomical error" that could potentially drive ultra-wealthy individuals away from the UK, thereby reducing their contributions to the economy. Speaking to MailOnline from her penthouse in Las Vegas, she stated: "It doesn't make any sense. It's not that we're not willing to pay taxes: we do pay taxes in the UK, we employ over 100 people."

Dr Kaplan and her husband, Stephen Mulholland, a former plastic surgeon, had resided in the UK for three years, during which they invested approximately £25 million to refurbish Lympne Castle, a medieval property in Kent, into a luxurious wedding venue. However, the new tax regime has prompted them to relocate to Milan, Italy, where a more accommodating non-dom structure exists. Italy charges a flat annual fee of €200,000 (£171,500) plus additional fees per family member to shield foreign assets from local taxation—a stark contrast to the UK's previous non-dom regime.

Under the newly reformed UK tax structure, individuals who had previously enjoyed non-dom status will now be subject to UK taxation on their global income after a transitional period. This shift is expected to have repercussions not just for high-net-worth individuals but also for the broader UK economy. The Office for Budget Responsibility (OBR) predicts that the number of individuals claiming non-dom status could fall by approximately 12% within the year, while the number of 'deemed domiciled' individuals may decline by a quarter.

A report by New World Wealth highlighted that London has seen an exodus of 11,300 dollar millionaires over the past year, making it one of the only major cities to experience a net loss in wealthy residents in the last decade. Dr Kaplan noted that this trend signals that the UK may be inadvertently signalling that it "doesn't want the wealthy," a notion she believes could have far-reaching implications for the nation’s fiscal health.

Dr Kaplan's remarks were directed towards Rachel Reeves, whom she labelled "reckless," suggesting that the government appears disinclined to attract affluent individuals who contribute significantly to the economy. She expressed concern over the potential impact on jobs and investments, stating: "We bring clean capital to the UK... but it’s like they don’t really want the wealthy in the UK."

In a historical context, the non-dom status originated in 1799, and its recent abolishment continues to stir debate about the future of wealth taxation in the UK. Critics of the change argue that it will not only discourage investments but also result in a substantial financial loss for the UK treasury. The Treasury estimates that the changes to the non-dom scheme may yield £12.7 billion over the next five years; however, the OBR warned that this figure is highly uncertain given the potential migration of affluent citizens.

Dr Kaplan's situation reflects a growing unease among business leaders concerning the UK’s competitiveness as a destination for wealthy individuals. Her criticisms echo the sentiments of other high-profile expatriates, including steel magnate Lakshmi Mittal, who have chosen to depart ahead of the new tax year.

Though the Treasury maintains that the UK remains an attractive location for wealthy individuals, the reactions from figures like Dr Kaplan suggest that redefining tax policies related to wealth may require careful reconsideration to avoid adverse consequences for the nation's economic stability.

Source: [Noah Wire Services](https://www.noahwire.com)

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