

Andrew Griffith MP
House of Commons
London SW1A 0AA

Richard Hughes
Chair

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14 July 2025

Dear Mr. Griffith,

Thank you for your letter of 2 July 2025.

Under the *Charter for Budget Responsibility*, the most recent version of which was approved by Parliament in January 2025, the OBR's role in relation to government policy measures is to provide independent scrutiny and certification of the policy costings, prepared by the relevant government department, for measures that the Government has announced or is announcing in a fiscal statement. We then incorporate the impact of these policies into our economic and fiscal forecast which accompanies that statement.

In line with this, the costings of the reforms to the non-domicile regime were produced by HMRC, scrutinised by the OBR (as part of an iterative process, which we describe in more detail in [Briefing paper No.6: Policy costings and our forecast](#)), and then, once we were content that the costings were 'reasonable and central', certified and included in our forecasts alongside the Spring Budget 2024 and Autumn Budget 2024. Details of these reforms, and their estimated impact on the public finances, are discussed in our March 2024 and October 2024 *Economic and fiscal outlooks (EFOs)*. We highlighted the significant uncertainty around these estimates in both publications, in part due to the material impact that decisions made by a relatively small group of individuals would have on yield.

In response to significant public interest around the changes to capital taxes that the Government announced at the Autumn Budget 2024, in January 2025 we published several supplementary releases to our October 2024 *EFO* providing more detail on the data sources, modelling, and uncertainty for the policy costings of these measures.

This included the supplementary release on reforms to the non-domicile regime, published on 30 January 2025, to which you refer in your letter. This provided more detail on the evidence and assumptions underpinning the October 2024 *EFO* costing, including the assumption that 25 per cent of current non-domiciles with trusts and 'deemed' domiciles would migrate in response to the reforms, and 12 per cent of non-domiciles without trusts. However, this release did not update or change the estimate of the yield published in our October 2024 *EFO* in any way.

We cannot review and re-cost all previous measures at each fiscal event, but we do look at costings for which material new evidence or analysis becomes available, and those that were identified as particularly uncertain. Consistent with our remit, any such recostings take place at the time of fiscal statements (i.e. Spring Statements and Autumn Budgets) so that they can be incorporated into an updated economic and fiscal forecast which also takes account of any other policy measures the Government has announced.

We will therefore consider whether any changes should be made to the costing of reforms to the non-domicile regime at the next fiscal event, taking account of any material new information that becomes

available. However, this costing is likely to remain highly uncertain until such time as firm outturn data is available.

Kind regards,

A handwritten signature in black ink, appearing to read 'Richard Hughes', written in a cursive style.

Richard Hughes

Chair



ANDREW GRIFFITH MP
MEMBER OF PARLIAMENT FOR ARUNDEL AND SOUTH DOWNS

HOUSE OF COMMONS
LONDON SW1A 0AA

Richard Hughes
Chair
Office for Budget Responsibility (OBR)
(By E-Mail)

2 July 2025

Dear Mr Hughes,

I am writing to you to ask that the OBR make and publish a new supplementary estimate of the impact of the Government's abolition of the non-domicile regime and, in particular, the widening of the scope of UK inheritance tax to include previously exempt global assets.

In January, the OBR published a supplementary forecast on the costing of reforms to the non-domicile regime, which included an estimate of the behavioural response with respect to emigration that may result from this policy. Since then, a number of independent estimates and additional data have suggested that the emigration response may have been underestimated.

Specific examples of this include:

- A report by the CEBR published 6th of May 2025
- The Wealth Migration Report 2025 by Henley and Partners published 24th of June 2025
- Reporting by Bloomberg on 18th of June that at least 4,400 company directors have changed their addresses in public filings to reflect a departure from the UK.

I hope you will agree with me that these reports, which suggest that the modelling produced by the OBR in January may have underestimated emigration by non-doms, have created uncertainty about both the future health of the wider UK economy and the public finances.

In particular, these reports would seem to suggest that receipts from the Government's policy change may be significantly lower than anticipated, and could even be eclipsed entirely, leaving a significant 'black hole' to be filled at future fiscal events to meet the current fiscal rules.

I do not expect the OBR to provide running commentary on every report that is published, but I hope you will agree that the degree of attention and doubt this policy has been met with warrants a second look from the OBR. A further supplementary forecast, with more detailed modelling, could help to provide clarity to policy makers, Parliament, and the markets.

I look forward to hearing from you and would also like to make you aware I am placing a copy of this letter in the public domain.

Kind regards,

Andrew Griffith MP
Shadow Secretary of State for Business and Trade