

Capital Gains – CGT Mitigation

DEFINING THE NEEDS

Capital Gains Tax (CGT) – Although many of us are aware of it, in our experience many business owners, particularly SMEs, and family-run companies have not reviewed their asset arrangements or structured their affairs to reduce their exposure to this tax. In many cases this could easily run into £100,000s.

This Tax Planning has become increasingly relevant and important in recent years with, in particular, the huge growth of individuals who now have Property Portfolios, whether owned outright, or owned through Buy-To-Let (BTL) and Commercial Funding.

APPLYING THE SOLUTION

Working with our specialist Tax Teams we can offer Individuals, as well as SME Business Owners, a full review and offer various customised opportunities to structure their affairs to **minimize the impact of this potential tax burden on their business, as well as their estate.**

HOW CAN WE DO THIS?

We work with a number of leading experts in this field to examine the best, most cost-effective methods and structures.

This gives you or your client access to products that were previously only available to the largest FTSE 100 companies and institutions.

KEY POINTS

- The main objectives are asset protection from CGT.
- Entry level is £1 million.
- Suits BTL Property Portfolio.
- Works with Shares as well.
- Could be essential to help with Inheritance Tax (IHT) and Retirement Planning.
- Gains in a Company can be sheltered.
- Overseas investment properties can be included (subject to local CGT rules).
- Typical Costs are £6,000pa for a £1m portfolio.
- Only other option available would be an EIS Scheme, which can be comparatively restrictive.
- There are many more benefits, but since this is dependent on individual circumstances it is best to contact us and we will see how we can help you!

CASE STUDY – BTL PORTFOLIO

- Buy-To-Let (BTL) portfolio circa. £2 million.
- Low valuation in current market (bought 2008).
- Losses created on disposal to the customer's Protected Cell Company and offset against Capital Gains realised on other assets in same tax year.
- Future growth now protected and properties can be sold and re-investment can happen with NO Capital Gains.
- Possible to make loans to shareholders at Libor + margin. Loans will need repaying but could possibly be replaced with loans to other family members holding shares.
- IHT-neutral unless additional planning utilised.
- Keep more of what YOU earn!

DID YOU KNOW?

- ✓ This can be used in some circumstances for Trading Properties.
- ✓ "Even if you separate, divorce or dissolve a civil partnership, you will need to transfer assets between partners. As a result, there may be Capital Gains Tax (CGT) to pay." – Source HMRC

KNOW MORE

Q] Could I dispose of an asset by gifting it to somebody else?

A] YES, but you may have to pay Capital Gains Tax (CGT) when you give an Asset as a Gift to someone!

Unique Accountants is a PROBIZ 'Centre of Excellence.'



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...inspiring growth

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This data sheet provides an overview of the various schemes that Unique Accountants, working with PROBIZ Tax Division, and their specialist Tax teams can offer. Projected savings and examples shown are for purely illustrative purposes and although we believe they are attainable there is no guarantee of returns or savings quoted. We would always recommend taking detailed advice.