

## Capital Gains Tax: Draft legislation and New Relief *Expert reaction from Saffery Champness*

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The Chancellor has today published draft legislation introducing the changes announced in the last Pre-Budget Report, and announced a capital gains tax relief for entrepreneurs.

Although the draft legislation for this new relief is yet to be published, among its main points is that the first £1 million of gains that qualify for relief will be taxed at an effective rate of 10%.

**RONNIE LUDWIG**, a partner in the private wealth group at Saffery Champness comments:

*"The tax reliefs announced today will be welcomed by the entrepreneurial community. Even though a climbdown had been signalled in advance, the £1m threshold is far more generous than many were expecting and will provide welcome relief to many business owners."*

*"This will significantly relieve pressure on many business owners who may otherwise have looked to sell their businesses in a rush before April. However, some business owners have already sold up in anticipation of an 18% rate. But many of them may not have sold up had the tax reliefs unveiled today been made clear in the pre-budget report. Such individuals are likely to be highly dismayed by today's u-turn."*

On the new 'Entrepreneurs Relief', Saffery Champness Partner **JANE HILL** also adds: *"Whilst many will benefit from this relief when selling part or the whole of their business or when ceasing to trade, the disposal of a business asset in itself will not necessarily qualify."*

*"Hopefully the draft legislation will make things clearer but the fact that many assets which currently enjoy the benefit of taper relief will not be able to benefit from this concession will be a disappointment to many."*

### About Saffery Champness

Saffery Champness has 54 Partners and more than 400 staff, with nine offices on the UK mainland and one in Guernsey. The firm was founded in 1855 by Joseph John Saffery and celebrated its 150th anniversary in 2005.

Saffery Champness has worldwide associations in more than 100 countries through the global association, Nexia International.

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