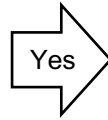
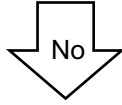
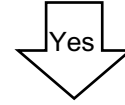


Tax on Divorce – High Level Risk Assessment

Are you divorcing in the tax year of separation?

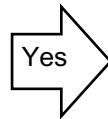
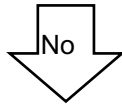


Do both parties currently live and intend to continue living in the UK?



Low risk

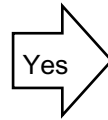
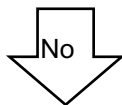
Is there a business in the marriage?



**Seek Advice**

- How will the business be valued
- How will the value be realised?
- Has Entrepreneur's Relief been considered?
- If there is going to be a sale of shares will there be capital gains tax payable?

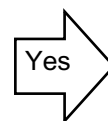
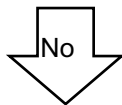
Do you or your ex own investment properties?



**Seek Advice**

- If the transfer takes place after the tax year of separation there may be capital gains tax payable
- Have you considered hold over relief to reduce the immediate charge to tax

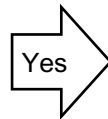
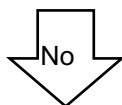
Do you or your ex currently live abroad, or intend to live abroad?



**Seek advice**

- Confirm the tax position in the country where any maintenance & settlement payments will be received

Have you or your ex been absent from the main home for over 18 months?



**Seek advice**

- The absent party may have a capital gains tax exposure
- Confirm if they will qualify for a s225B exemption

Low risk

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## Simple Capital Gains Tax Pro Forma

Sale Price	£250,000
Purchase Price	(£125,000)
Less all costs	
- selling costs	
- purchase costs	
- improvements to the property	(£5,000)
Total Gain	£120,000
Less Annual Allowance	(£12,000)
Taxable Gain	£108,000
Capital Gains Tax Payable at 28%	<u>£ 30,240</u>