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***A few tax issues on divorce  
Presentation to [family law team]– April 2018***

***Lee Blackshaw CTA, TEP, ATT (Fellow)***



## *My key areas*

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Less common  
basics

Non residents

Non-doms

Family business

Old tax scheme?

Trusts

## *Some basics*

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In addition to the usually well-known CGT/IHT/PPR timing issues...

- Rental income splits shifting from 50:50 (to eg 90:10) at separation
- Mesher orders and post 2006 reliance on s10 and s11 IHTA 1984 (but 10 year and exit charges – which may be acceptable, if explained well)
- Take care with oddities, such as EIS clawback or CGT entrepreneurs' relief trap on premature resignations

Less common  
basics



### **NRCGT (Non resident capital gains tax)**

- 30 day time limit
- Penalties
- Lack of awareness
- Recent tax cases on penalties

### **Overseas pensions**

- Tax free?
- Concession legislated in 2011
- Changed again in 2017
- Now s574A relieves pre 2017 portion?

Non residents



### Remittance basis

- Awareness
- Changes from 6 April 2017
- Are they deemed dom?
- Dom 1, otherwise agreed with HMRC or assumptions and potential weaknesses?
- Timing of remittances

### House oddities

- Is the house in a company or a trust?

Non-doms



## *Old tax scheme?*

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- Are the client views realistic?
- Actively settle with HMRC
- Use a tax investigation specialist
- Indemnities – timing, quantum, unknowns, rights, grossing

Old tax scheme



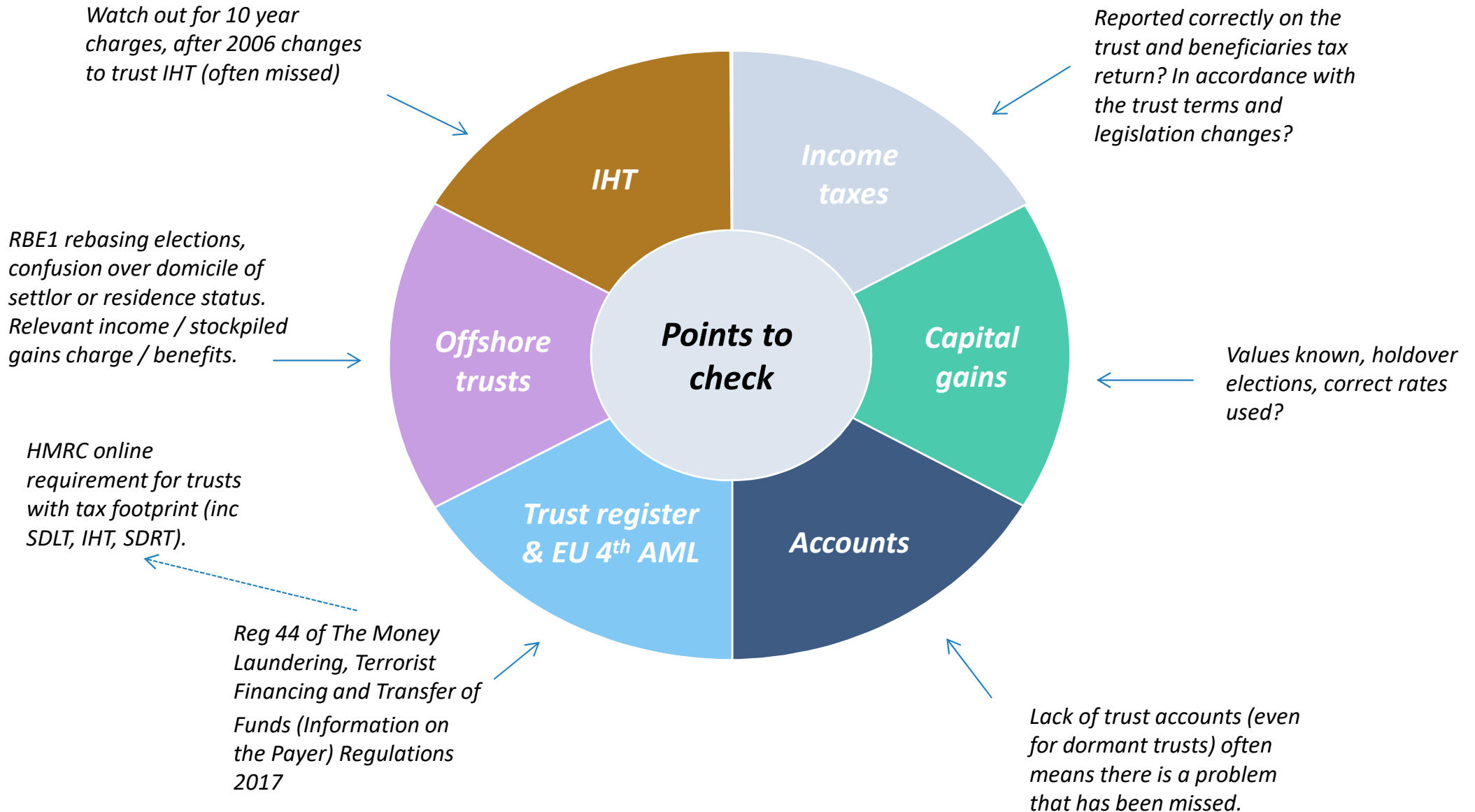
### Experience

- Managing relationships
- Are they hiding things (salary reductions, ownership, dividends)?
- Active or passive involvement in the business (what might they not know)?
- Buybacks, demergers, newco to remove shareholder interests

Family business



# Are trusts involved?





## *Client feedback*

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Kept it  
simple

Fixed fees

Calming  
approach

Clear  
advice

Asked for  
feedback

Client focussed  
report

Niche area:  
family business,  
trusts, domicile  
& residence



My work with clients encourages possible work around:



[Law firm]

Pre and post nups  
Trust & will drafting  
Letter of wishes  
LPAs  
Take legal advice before marriage!  
Cohabitation agreements  
Shareholder agreements  
Directors understanding their duties

## *Conclusion and questions*

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lee@blackshawtax.com  
07720 298442



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Family business owners, trustees,  
beneficiaries, entrepreneurs,  
'non-doms', inherited wealth

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