



## Company Reorganisations, Reconstructions & Splitting Activities

Depending on what you are looking to achieve, we can suggest the most appropriate solution for your business, so you can move forward and obtain the necessary tax clearances from HMRC in advance.

### Common Scenarios

- 15 Partial exits or MBOs, where one shareholder wants to fully exit from the company and a company buyback may not be possible.
- Shareholders want to concentrate on their preferred part of the business and sell off the rest (i.e. split the business).
- Protecting assets by ring fencing them from the trading part of the business.
- Limiting Inheritance Tax exposure.

### Common Solutions

- Creating a holding company above trading entity via a "share swap".
- Statutory/non statutory "demergers", partition demergers, capital reduction demerger etc.

### What are the main tax issues?

- An "income distribution" otherwise arises, which HMRC would treat as if it were a dividend.
- For certain "demergers", potential corporate taxes on assets distributed/previously transferred.
- Stamp Duty and Stamp Duty Land Tax to consider and what reliefs might apply.

N.B. The above is based on current tax legislation but should not be construed as formal tax advice.



To find out more about our tax consultancy services contact Tax Director Jon Miles.  
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### About Us

We are the largest independently-owned accountancy practice based solely in Bath. We specialise in advising owner managed businesses, private individuals and their families. And pride ourselves on providing great service and innovative solutions.

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