

## 10 things you must know about tax before selling shares in a private company

- 1. Maximise Entrepreneurs' Relief**  
Use spouses to save up to £100,000
- 2. Maximise Entrepreneurs' Relief**  
Use children / trust to save up to £100,000 per child
- 3. Sell shares or sell assets?**  
Big question – big difference in tax outcome
- 4. Equity Incentives for Key Executives**  
Make sure they pay 10% / 20% CGT and not 40% / 45% IT plus NIC
- 5. Corporate Tax Deduction for Equity Incentives**  
Make sure you get it and not the purchaser
- 6. Earn-Outs**  
Don't turn a 10% CGT charge into 20%
- 7. Cash left in or taken out?**  
Plan ahead or the purchaser will have it
- 8. Post Sale Employment**  
Don't get earn-out taxed as income at 40% / 45%
- 9. Become non UK Resident to Avoid Tax**  
Need to be careful – 1 year out of UK or 5 years?
- 10. Share for Share Transactions**  
Don't turn a 10% CGT charge into 20%

**“Selling shares in your business is often a once in a lifetime event. Maximising the post-tax value is the name of the game”.**

Alan Ross, Tax Director

