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Accounting resource: **Tax planning for selling a private company.**

“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, Wilson Partners Ltd

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

1. **Maximise business asset disposal relief**
   Use spouses to save up to £100,000

2. **Maximise business asset disposal 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

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Tax planning

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%