



Minimising Costs: The Six Questions To Ask The Client's Tax Adviser

David Kilshaw
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Today's Agenda

- Six questions to ask a tax adviser (even if he is English!)
- Six questions but one approach
- The six questions and why they need to be asked (and answered)

Question 1 – ‘What Is The Tax History and what are their main assets?’

- Why history matters
- Problem areas and how to deal with them
- Offshore disclosure – a hidden advantage?
- Nature of assets

Question 2 – ‘What Is The Status Of The Parties?’

- Why it matters
- The non-domiciled client – the new rules
- A future worry?
- Status can be an opportunity or a trap

The Tax Rules 1



CGT

- Section 58 TCGA 1992
- The importance of the separation year
- The market value rule
- Key reliefs, including ER

The Tax Rules 2

IHT

- Decree absolute
- Importance of reliefs

IT

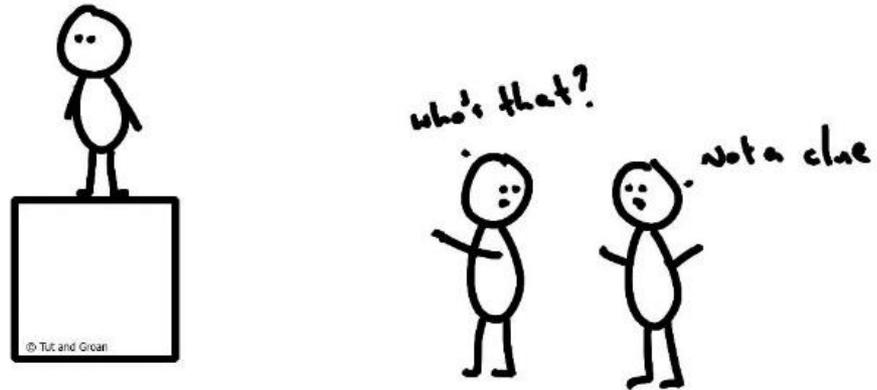
- “50/50”
- Scottish...and English tax rates

Other
concerns

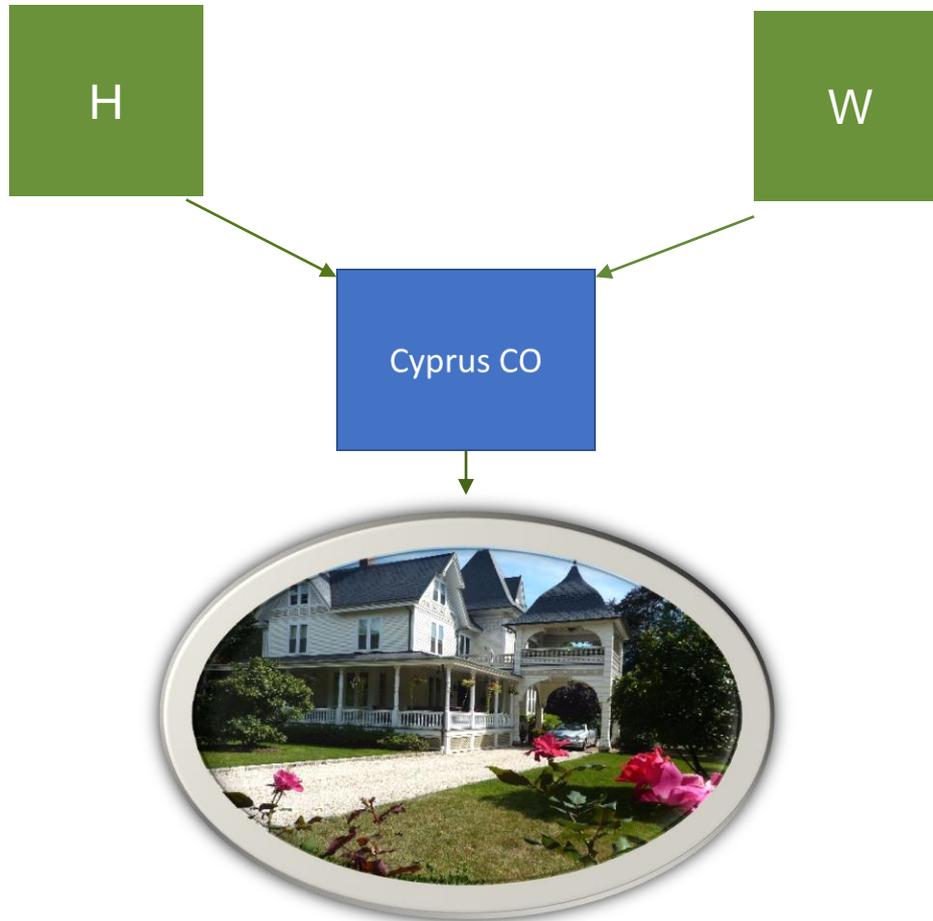
- Overseas taxation
- Surprises in anti-avoidance rules

The new kid on the block

New Kid on the Block



An Example



The Matrimonial Home

- PPR relief
- Elections and residences
- Section 225B

Typical Tax

Clean Break	<ul style="list-style-type: none">• PPR and S225B?• No IHT
Joint Owners And Sale Postponed	<ul style="list-style-type: none">• As Above• Possible settlement relief on sale
Sale of house after this interest	Usually CGT efficient
Transfer subject to charge	Could be CGT on the charge

Question 3 – ‘How To Fund Transfers?’

- Is it a cash or asset transfer?
- Cash extraction methods
- Key considerations on a share transfer
- More complex challenges

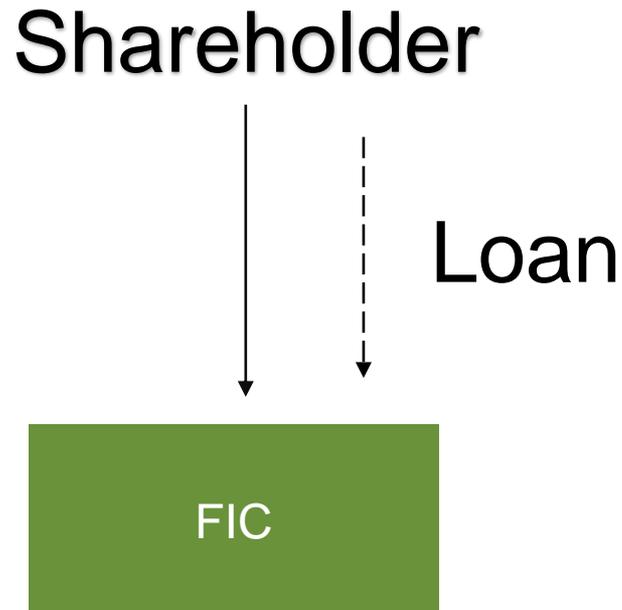
Question 4 – ‘Tax Planning?’

- CGT and the overseas spouse
- Capital losses
- Trust funding
- Share transfers and ER
- IHT and BPR
- Utilising the remittance basis
- FICs

Entrepreneurs' Relief

- The £10m lifetime limit
- A 10% tax rate
- New qualifying conditions
- Meaning of “Ordinary Shares”

The Family Investment Company



Question 5 – ‘After Care?’

- Elections and claims
- The importance of the tax return
- Record keeping

Question 6 – ‘The Open Question?’

- Working together
- The non-domiciled surprise
- The working spouse

Reasons to instruct me (please)



And finally...the question **not** to ask the tax adviser

“How much will this cost?”

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David Kilshaw qualified as a lawyer and was formerly a private client partner with two of the “Big 4” firms. David has over 35 years’ experience in advising private clients and family offices, with particular expertise in non-domiciled taxation. David is an e-private client “*50 Most Influential*” for 2019, and in 2018 was awarded the STEP Lifetime Achievement Award. He has wide experience as an expert witness, including in the Charman case.

David Kilshaw
Senior Adviser
Rawlinson & Hunter

D: +44 (0)20 7842 2129

M: +44 (0)7710 578303

david.kilshaw@rawlinson-hunter.com

Rawlinson & Hunter
Eighth Floor
6 New Street Square
London EC4A 3AQ