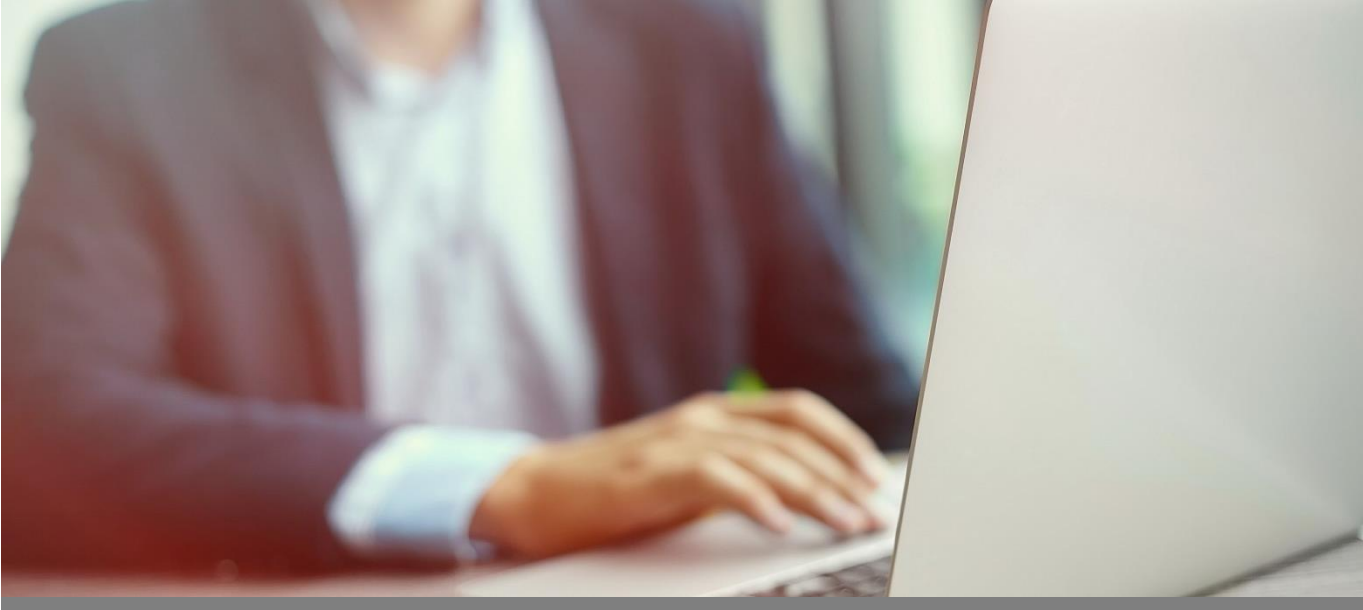


BUSINESS ASSET DISPOSAL (BADR)



Business Asset Disposal Relief (BADR) is a relief given by way of a reduction of the CGT tax charge rate to 10%; however this relief has conditions that must be satisfied; therefore it may not be available to all investors.

Qualification of this relief includes the following:

- An individual must dispose of all or part of their business as a sole trader or business partner (including the business assets after it has closed)
 - i. In this case the individual must be a sole trader or business partner
 - ii. Have owned the business for at least two years before the date of sale

- Dispose of shares or securities in a company where at least 5% of shares and voting rights are held (otherwise known as a personal company)
 - i. Must be an employee or office holder of the company (or one in the same group)
 - ii. The main activities of the company are in trading or is a holding company of a trading group (rather than non-trading activities such as investment)
 - iii. Have held at least 5% of the shares and voting rights
 - iv. Have held the shares and voting rights for at least 24 months prior to disposal

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- Dispose of shares acquired through an Enterprise Management Incentive (EMI) after 5 April 2013
 - i. Must be an employee or office holder of the company (or one in the same group)
 - ii. The main activities of the company are in trading or is a holding company of a trading group (rather than non-trading activities such as investment)
 - iii. Were given the option to buy shares at least one year before sale
 - iv. Have held the shares and voting rights for at least 24 months prior to disposal

If the company ceases to be a trading company, an individual will still qualify for the relief if shares are sold within 3 years

- Assets lent to an own business or personal company
 - i. Must sell at least 5% of the individuals share of the partnership of shares in a personal company and;
 - ii. The individual owned the assets but lets the partnership or personal company use them for at least one year up to the date the shares were sold or the business ceased to trade
- Trustees selling assets held in a trust may also qualify (contact us more information in this respect)

Providing the above conditions are met, gains up to a lifetime limit of £1m can be taxed at the lower rate.

Next Steps

To understand more regarding any of the above relief, please contact us to arrange an appropriate time to discuss your tax affairs in more detail and be fully aware of the impact that the above may have on you. Call us on **01753 888211** or email **info@nhllp.com**.