



## What should you expect to pay for advice on reducing Capital Gains Tax (CGT)

Note that we are considering saving Capital Gains Tax purely within the context of probate and estate administration. That is, when it might be incurred by the personal representatives by selling an asset comprised in the estate.

Please refer to the download “Capital Gains Tax and Probate/Estates” for an explanation of CGT and how it may be incurred in this situation.

Usually the solution to it is to plan ahead. To anticipate that the asset that is being sold will be sold with a gain, and to make arrangements prior to the sale to mitigate the effect of CGT.

The usual way to do this would be to use a declaration of trust or a deed of variation to put the asset in question into the beneficial ownership of the persons due to receive it under the terms of the Will (or under the provisions of Intestacy). Sometimes it is desirable and possible to include their wives and children as beneficial owners.

The effect of this arrangement is to increase the amount of annual exemptions available to use against the gain in value.

The personal representatives may have an exemption of only £10,100 (in 2009-2010); or of half that in some circumstances. If there were five beneficiaries and they were all married and willing to include their wives as owners, the annual exempt amount could be increased to £110,000. Not rocket science. And if you knew what was involved, you would be willing to pay for the tax saving. But bear in mind that the drafting and advice are probably not desperately demanding or time consuming.

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### Disclaimer

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