

## Changes to Capital Gains Tax from Monday 6 April

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Changes to reporting and tax payment requirements on the disposal of UK residential property affecting both UK and non UK tax residents. A brief summary of the main features appears below.

From next Monday 6 April where a chargeable gain or an allowable loss arises on a UK residential property disposal, e.g. on a sale of a second property or of a let property an online return must be filed with HMRC and an estimate of the CGT due paid to HMRC, both within 30 days of completion. HMRC have confirmed that the exchange of an unconditional contract before 6 April with completion afterwards does not give rise to a reporting requirement or to the new payment regime.

The transaction must also be shown on the relevant self assessment return. If no gain arises due to an exemption such as the principal private residence, annual exemption or available losses, no online return or payment need be made, however the exemption etc relied upon needs to be mentioned in the self assessment return.

In the case of a non UK resident individual or trustee making a disposal of a direct or indirect interest in UK residential property an online return must be made within 30 days irrespective of whether any CGT is due. Failure to make the return within 30 days of completion will give rise to a penalty. Indirect interests are defined as an interest of 25% or more in a company 75% of whose gross assets consist of UK land.

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