Spotlight on the Capital Gains Tax & Investment Income Sub-committee

General Features

01 February 2019

In the last in our series of articles about the CIOT's technical sub-committees, CIOT Technical Officer Kate Willis outlines the work carried out by the Capital Gains Tax & Investment Income (CGT&II) Sub-committee.

The reforms to the taxation of non-UK domiciliaries continue to occupy the CIOT's CGT & II Sub-committee, together with changes to Entrepreneurs' Relief and the new CGT payment date and return.

The remit of the CGT & II Sub-committee includes all aspects of capital gains tax and capital losses (personal and settlements), the income tax aspects of investment income (including dividends), estates, settlements and trusts, and domicile and residence issues affecting income tax and capital gains tax (individuals and trustees).

The Sub-committee meets jointly with Succession Taxes. Together the remits of the two sub-committees encompass both onshore and offshore tax technical matters. Meeting jointly ensures that a holistic approach reflects and integrates most aspects of private client taxation; a particular strength of these two committees.

Recently, and in collaboration with other leading professional bodies, the sub-committee produced draft Frequently Asked Questions on all aspects of the substantial reforms to the taxation of non-UK domiciled individuals to assist practitioners in identifying and considering areas of uncertainty. Discussions with HMRC continue in order to clarify the intended effect of these complex technical provisions.

During 2018, the sub-committee led the CIOT's response to consultations on changes to the CGT payment and return date and to entrepreneurs' relief.

Entrepreneurs’ relief was again the focus in the latter part of the year following changes announced at the Budget and published in Finance (No.3) Bill. We engaged extensively with HMRC to assist in identifying unintended consequences of the changes and necessary amendments to the Bill at report stage.

In early 2019, the sub-committees will jointly respond to the government’s early stage consultation reviewing the taxation of trusts. HMRC is inviting views on the principles that government believes should underpin the taxation of trusts. Engagement on any potential reforms is likely to form a significant part of the sub-committee’s work in the future to the extent that proposals emerge from this consultation.

Further information about the Sub-committees and their work is on the CIOT website
.