Cranleys
CHARTERED ACCOUNTANTS



CRANLEYS' CLEVER CHECKLISTS · No. 27 · BUSINESS TAX

Business Sale, Exit and Succession Tax Checklist 2026/27

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

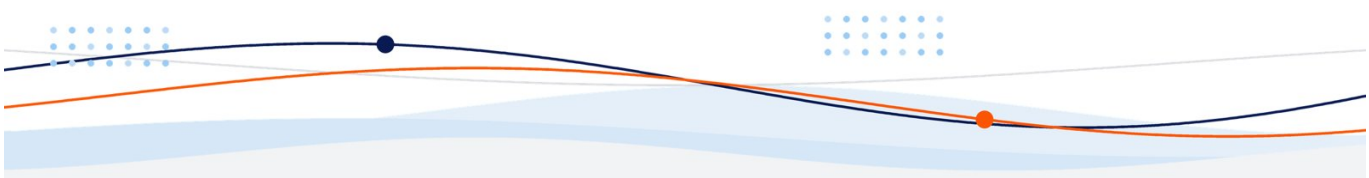
Business asset disposal relief taxes the first £1m of qualifying gains at 18% in 2026/27, with the limit announced to fall to £500,000 for disposals from 6 April 2027. Employee ownership trust relief is now 50%. Earn-outs, holdover and succession need planning before the sale, not after.

THE KEY FIGURES

2026/27 figure	Amount
BADR rate	18%
BADR lifetime limit	£1m, announced £500,000 from 6 April 2027
Employee ownership trust CGT relief	50% from 26 November 2025
Founders' Relief	proposed from April 2027, consultation to 30 November 2026
Standard CGT rate	24%

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**BADR, Investors' Relief or other reliefs?**	Each has different conditions. Choose per asset and check how the lifetime limits stack.	Share and role records
☐	**Is incorporation relief understood?**	Moving a business into a company with all assets for shares can defer the gain.	Transfer documents, valuation
☐	**Is holdover relief available on a gift?**	Gifts to family or trusts can defer gains with a joint claim.	Claim form, valuation
☐	**Are earn-outs and loan notes planned?**	The right to future payments is itself an asset taxed at sale. The timing of cash and tax can differ.	Sale agreement, valuation
☐	**Is the goodwill valuation evidenced?**	An independent valuation protects the split of price. HMRC challenges unsupported figures.	Valuation report
☐	**Is succession planned with reliefs, will and agreements?**	Business and agricultural relief, wills, powers of attorney and shareholder agreements must work together.	Documents list



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MY PRO TIP

the tax relief you can claim depends on what you do before the sale.

A worked example

A company owner sells shares for a £2m gain. With BADR, £1m is taxed at 18%, £180,000, and £1m at 24%, £240,000, so £420,000 in total. Without BADR the tax is £480,000. If the sale completes on or after 6 April 2027 and the limit falls to £500,000, tax would be £90,000 plus £360,000, so £450,000.

The trap to avoid

Claiming BADR when you hold only 4% of the shares. You need at least 5% and the voting rights.

The case that matters

Marren v Ingles [1980] 1 WLR 983: the right to future earn-out payments is itself an asset valued at the sale, so tax can arise before the cash does.

Test your accountant

One question that tells you if you have the right adviser:

Which reliefs apply to my sale, and does timing before or after April 2027 change the tax?

What has changed recently

- The BADR limit is announced to fall to £500,000 from 6 April 2027.
- Employee ownership trust relief halved to 50% from 26 November 2025.
- Check the rules on gains. See the capital gains tax checklist.

Questions I get asked

What is business asset disposal relief in 2026/27?

An 18% rate on qualifying business gains up to £1m of lifetime gains. The limit is announced to fall to £500,000 from 6 April 2027.

How long must I own the shares to claim BADR?

At least two years, with 5% of shares and votes, and you must be an officer or employee of a trading company.

Is employee ownership trust relief still available?

Yes, at 50% for disposals from 26 November 2025.

Are earn-outs taxed when received?

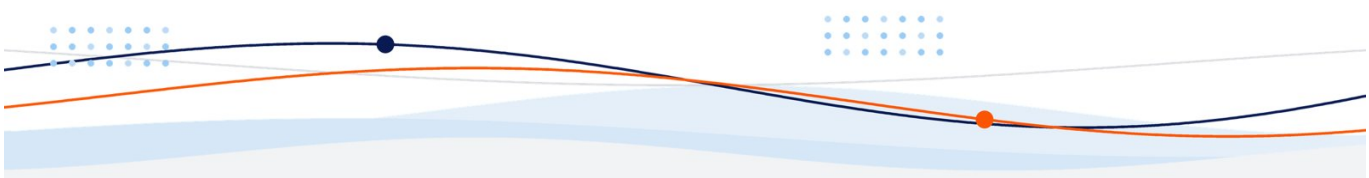
Not always. The right to the earn-out can be taxed at sale at its value, so planning matters.

The 9 CAD Keys link: Acceleration

Acceleration means picking the right moment. Timing a sale around a relief change can be worth tens of thousands.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next



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Tax checklist 05
Capital Gains Tax Checklist 2026/27

Tax checklist 09
Business Property Relief (BPR) Checklist 2026/27

Tax checklist 10
Agricultural Property Relief (APR) Checklist 2026/27

Tax checklist 12
Corporation Tax and Close Companies Checklist 2026/27

Go deeper: my books

For this topic, start with **Business Exit Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Tick the boxes before you sign.

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Scan to read online, tick it on screen and take the Scorecard



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