



Dear [title and surname from spreadsheet]

Capital Gains Tax on Share Disposals

Companies House holds a register of Persons of Significant Control (PSC). This register shows that you stopped being a person with significant control of [Company name from data file] on [date from data file].

On ceasing control, you may have disposed of some or all of your shares in the company. If you have disposed of shares, you may have to pay Capital Gains Tax (CGT).

What's a 'disposal'?

You make a disposal when you:

- sell shares for cash
- exchange shares in one company for shares in another company; and/or
- give shares away

Do you have to pay CGT?

You must pay CGT if your total gains from all disposals in a tax year are over the annual exempt amount. For the tax year 2020 to 2021, this was £12,000.

Your 'gain' is normally the difference between what you paid for the shares and what you sold them for.

If you exchange shares for shares in another company, special rules may apply. To find out more, go to www.gov.uk and search for 'share reorganisations'.

If you give shares away, you may be able to claim relief to delay payment of CGT until the shares are eventually sold. To find out more, go to www.gov.uk and search for 'gift holdover relief'.

If you make a loss, you may be able to use this to reduce the CGT due on other gains.

What you need to do now

You've not included any disposals of shares in your Self Assessment tax return for the period 2019 to 2020.

If you've disposed of any shares, please check whether you need to amend your return.

The following links to guidance may help you. Go to GOV.UK and search for:

- Capital Gains Tax - www.gov.uk/capital-gains-tax

- Tax when you sell shares - www.gov.uk/tax-sell-shares
- HS284 Shares and Capital Gains Tax (2020) - www.gov.uk/government/publications/shares-and-capital-gains-tax-hs284-self-assessment-helpsheet/hs284-shares-and-capital-gains-tax-2020

If you're satisfied that you do not have any CGT to pay, you do not need to do anything.

If you think that your Self Assessment return for the period 2019 to 2020 is incorrect, please amend it before **31 January 2022**.

To find out how to amend your return, go to www.gov.uk/self-assessment-tax-returns/corrections

You can get help from HMRC if you need extra support, for example if you need information in a different format or need help filling in forms. Visit GOV.UK and search for 'Get help from HMRC if you need extra support'.

You may want to show this letter to your accountant if you have one.

What happens next?

When you correct your tax return:

- you may owe us tax – if so, we'll charge interest on any tax that's paid late you can find more information at www.gov.uk/pay-self-assessment-tax-bill
- we may owe you a refund – if so, we'll repay you or credit your Self Assessment account

It's your responsibility to make sure your tax return is completed correctly.

If we carry out a compliance check in the future and find that your tax return is not correct, or that you've not told us that you need to pay additional tax, we may charge penalties.

Help and advice

If you still have questions after reading the guidance, for example, if you're not sure how to amend your tax return or you want to know how to make a payment, you can:

- phone 03000 575687 between 9am and 5pm, Monday to Friday. This line will close 1 month from the date of this letter; or
- email us at responseteam@hmrc.gov.uk. Before you contact us by email, please read the enclosed factsheet 'Corresponding with HMRC by email'

Please note that:

- we cannot correct your tax return over the phone or help you work out if you owe CGT
- you'll receive a delayed response from us if you reply to this letter in writing

For more information about how to fill in your tax return correctly, go to www.gov.uk/self-assessment-tax-returns/get-help

For more information on People with significant control (PSC's), go to www.uk/guidance/People-with-significant-control-pscs

Yours sincerely

WMBC Compliance

HM Revenue and Customs

If Coronavirus (COVID-19) is affecting you or your business, you can find information online about the support that's available. Go to www.gov.uk and search for 'Coronavirus guidance and support'.

To find out what service and standard of behaviour you can expect from us, go to www.gov.uk and search for 'HMRC Charter'



Corresponding with HMRC by email

Use the following information to decide whether you want to deal with us by email. We take the security of personal information very seriously. Email is not secure, so it's very important that you understand the risks before you email us. We will not deal with you by email unless you tell us you accept the risks of doing so.

About the risks

The main risks associated with using email that concern HMRC are:

- confidentiality and privacy – there's a risk that emails sent over the internet may be intercepted
- confirming your identity – it's crucial that we only communicate with established contacts at their correct email addresses
- there's no guarantee that an email received over an insecure network, like the internet, has not been altered during transit
- attachments could contain a virus or malicious code

How we can reduce the risks

We'll desensitise information, for example by only quoting part of any unique reference numbers. We can also use encryption. We're happy to discuss how you may do the same but still give the information we need.

If you do not want to use email

You may prefer that we do not respond by email, for example because other people have access to your email account. If so, we're happy to respond by another method. We'll agree this with you either by telephone or in writing via post.

If you do want to use email

If you would like to use email as one of the ways HMRC will contact you, we'll need you to confirm in writing by post or email:

- that you understand and accept the risks of using email
- that you're content for financial information to be sent by email
- that attachments can be used

If you are the authorised agent or representative we'll need you to confirm in writing by post or email that your client understands and accepts the risks.

Please also:

- send us the names and email addresses of all people you would like us to use email with - you, your staff, your representative, your agent, for example
- confirm you have ensured that your junk mail filters are not set to reject and/or automatically delete HMRC emails

How we use your agreement

Your confirmation will be held on file and will apply to future email correspondence. We'll review the agreement at regular intervals to make sure there are no changes.

Opting out

You may opt out of using email at any time by letting us know.

More information

You can find more information on HMRC's privacy policy. Go to www.gov.uk and search for 'HMRC Privacy Notice'.