



INSTITUTE OF DIRECTORS
IN IRELAND



Tax and Commercial Planning for SMEs - 20 Things Every Director Should Know

With Paul Mee, Mazars

Breakfast and Evening Briefings Series: Kindly sponsored by Mazars



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Personal
assets



Business
assets

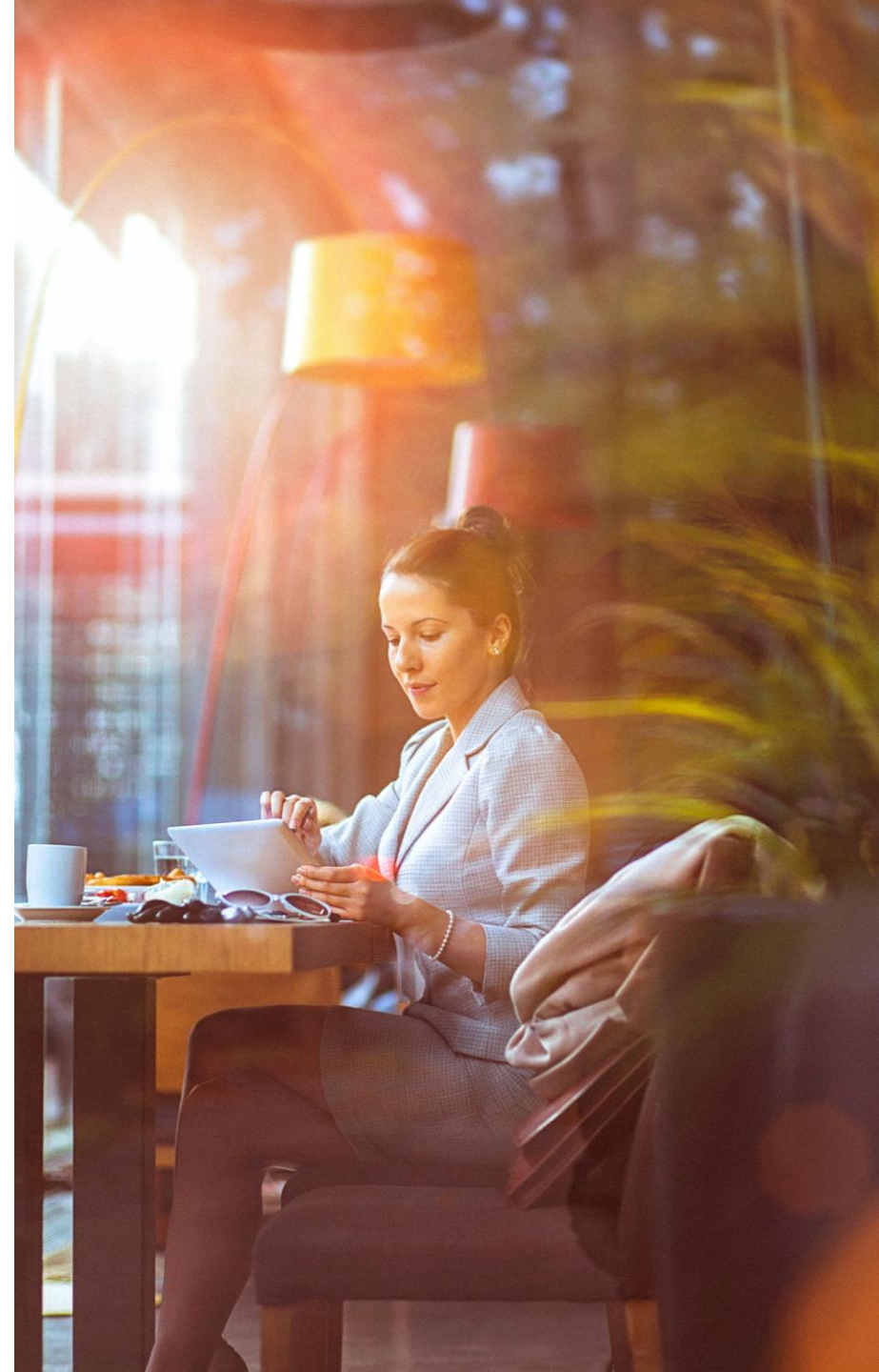


Retirement/
succession
planning



PERSONAL ASSETS

- No CGT or CAT reliefs available on personal property and investments
- Same event credit
- Section 72/73 CAT policies can cover the CAT on an gift/inheritance
- Consider use of family partnership
- Review or create will
- Review your financial position to determine the potential level of liquid assets available
- Use €3,000 small gift exemption (applies to each of you)
- Review pension planning



BUSINESS ASSETS

- Review corporate pension and ensure plan in place to reach PFT of €2,000,000
- Are spouses employed in the business?
- Is the corporate governance structure fit for purpose?
- Keyman insurance – could allow company to buyback shares from next of kin
- Equity participation scheme for key executives – growth shares, restricted stock, share options, phantom share options, etc.



BUSINESS ASSETS

- Restructure group to separate core trading from other activities
- Split trades into separate companies
- Isle of Man Non Filing Structure
- Extraction of cash – sale of business
- Golden share



RETIREMENT/SUCCESSION PLANNING

- Maximising CGT retirement relief
- Maximising CGT entrepreneurial relief
- Maximising CAT business property relief
- Does current share structure maximise the potential reliefs?
- Are there “bad” assets in the company?



RETIREMENT/SUCCESSION PLANNING

- Growth shares
- Continually review if family succession is commercially sensible or feasible
- Review or create will to ensure that succession to business is dealt with
- Use of enduring power of attorney
- Approved Retirement Fund – 30% flat rate on inheritance and no reduction in Class I threshold



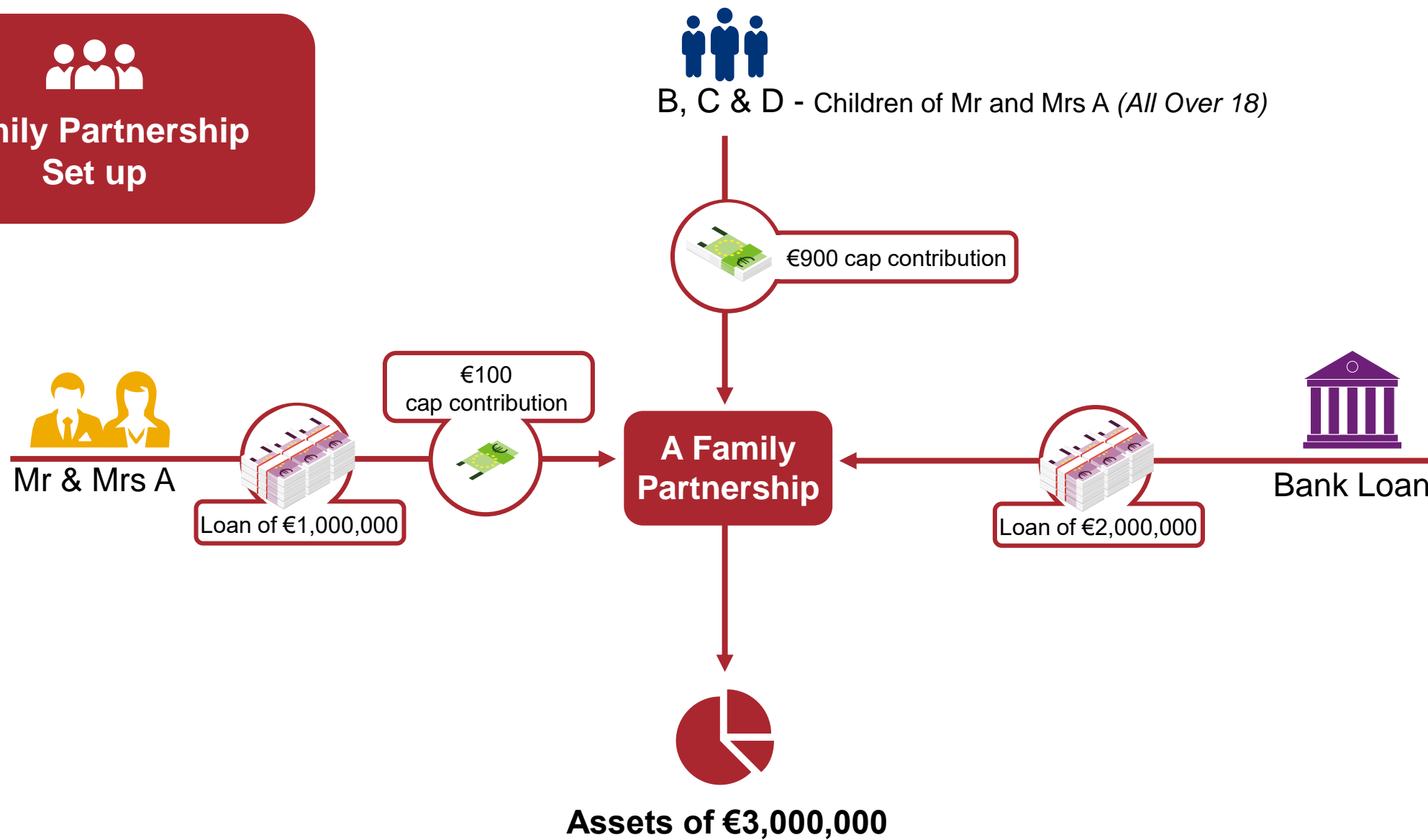


But you have to stay here for 6 years.

WHAT IS A FAMILY PARTNERSHIP?



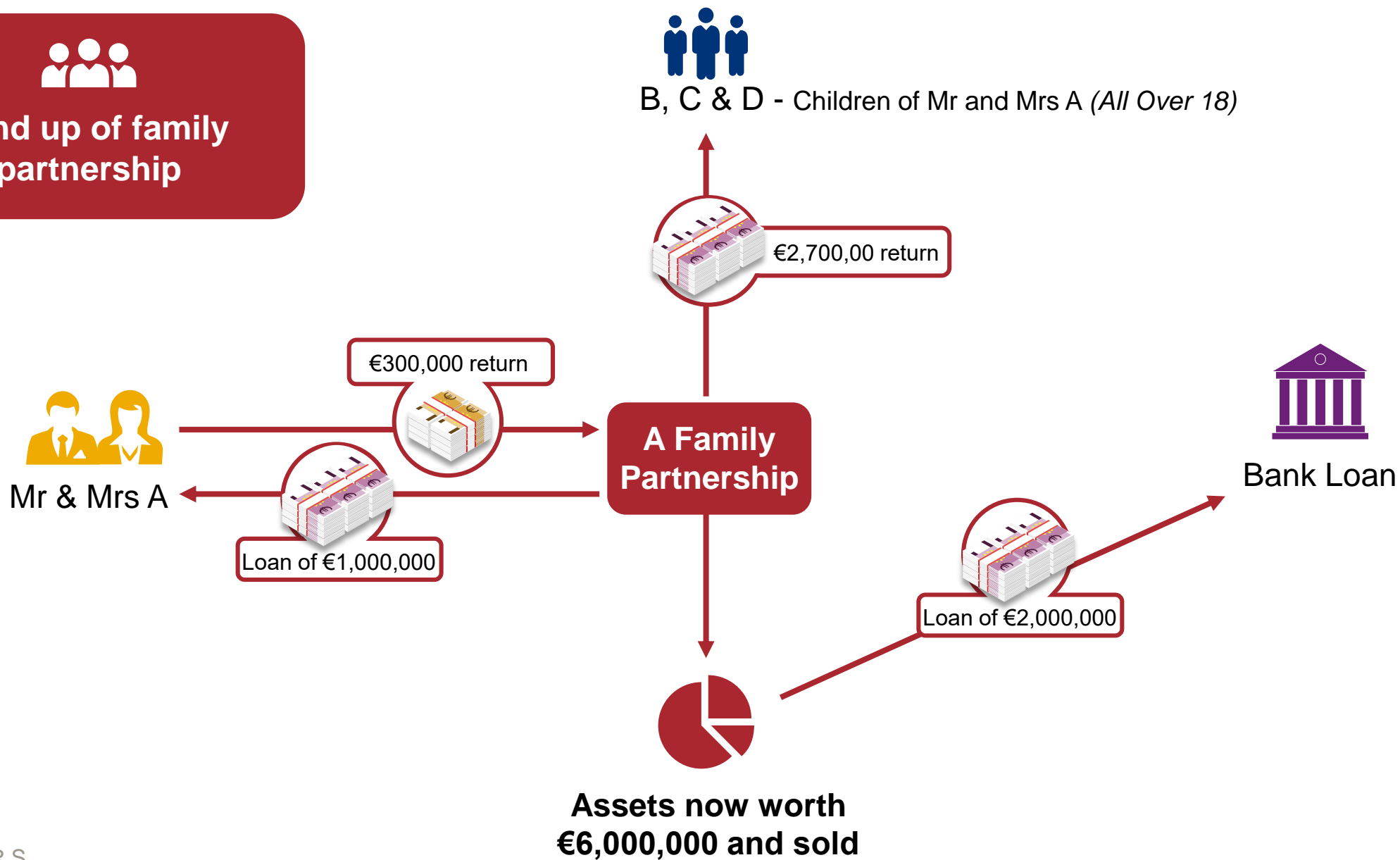
Family Partnership Set up



WHAT IS A FAMILY PARTNERSHIP?



Wind up of family partnership



WHAT ARE THE KEY POINTS?



Children have €2,700,000 return with no CAT



Mr and Mrs A control partnership as founder partners
Mr and Mrs A make all investment decisions.



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