





London property purchased in 2006 for £500,000. Valued in 2015 at £860,000. Valued in 2016 at £1million.

	Scenario 1  UK property owned by individual	Scenario 2  Jersey Company	Scenario 3  Jersey Trust	Scenario 4  Trust & Company Settlor dead
Rental income tax / year	£16,000	£8,000	£18,000	£8,000
ATED (not rented out)	£0	£7,000	£0	£7,000
Capital Gains Tax	£136,892	£32,000	£32,000	£32,000
Inheritance Tax	£270,000	£270,000	£270,000*	£0*

*Property can remain in the trust and be passed down generations free of IHT. However, it is subject to 6% IHT on the value of the UK property every 10 yrs, equal to £40,500 each 10 yrs.

Approximate calculations have been performed in order to quantify the tax impact of the different structures. Tax rates used are in respect of 2016/2017.