



eBook

Tax changes for Furnished Holiday Let Owners

September 2024

Foreword

Holiday lets have been part of the UK hospitality industry for decades. Previously, these properties were generally located within tourist hotspots and were typically holiday cottages and self-catering apartments.

Following the birth of the internet and in more recent years, online booking platforms, there has been a significant rise in residential properties being let on a short-term basis. This includes flats and houses in city centres, on residential housing estates and in rural areas.

The sharp increase in demand for this type of accommodation, and the ability to earn significantly higher income over traditional long term lets, has seen many more properties being offered as short-term/holiday accommodation, all over the UK.

The sector's success over the years has had both positive and negative impacts on communities and housing supply. As a result, the UK Government are introducing measures to regulate, what many now regard, as an oversaturated industry. As a result of these changes, it will be less attractive to current owners as well as those thinking of entering the industry.

The Scottish Government made the first move by introducing mandatory licences for holiday lets in Scotland from 1st October 2022. New fire regulations were introduced across the UK from 1st October 2023 and licensing of holiday lets in England and Wales is expected to follow.

Qualifying Furnished Holiday Lets (FHLs) have, since 1982, had their own special tax rules. This was due to the fact that there are different tax rules between property investment and trading businesses. To avoid the grey areas in the legislation, Furnished Holiday Let rules were introduced. From April 2025, this tax legislation will be abolished.

This eBook has been written to provide FHL owners with as much information as possible on what the changes will mean for them, and provide ways they may be able to reduce or limit the impact on their future tax liabilities.

It is important to note, that the **many FHL owners will NOT see any changes** to their tax bills when the rules change. There will, of course, be owners that will pay more tax, but it should always be kept in mind that paying tax is a result of successful business!



About The Author



This eBook has been compiled by Zeal Tax, specialists in holiday let taxes and capital allowances. Zeal's team of tax professionals, led by Managing Director, Matt Jeffery (pictured right), have been helping holiday let owners pay only the right amount of tax for many years.

Zeal was borne out of capital allowances specialists from the 'Big 4' global professional advisors and have over two decades of experience in unlocking tax savings on commercial property investments.

Qualifying FHLs are regarded as commercial properties for capital allowances purposes.. As a result, Zeal put together a team focusing their attention on helping FHL owners unlock the tax savings available on the purchase, refurbishment and construction of their holiday let properties. Tax relief that was unclaimed by their accountants due to the need for surveyors and capital allowances experts.



Matt Jeffery BA ATT CTA
Tax Director & Holiday Let Specialist

Over the years, Zeal have saved FHL owners millions of pounds in income or corporation tax through capital allowances.

In more recent years, Zeal have added a team of tax specialists that advise solely on taxes relating to FHL's. This includes Capital Gains Tax, Stamp Duty Land Tax (or equivalent), Inheritance Tax, Business Rates, VAT and more.

Zeal operates from offices in South Wales and the Midlands. This enables us to provide our services nationwide. We are also proud to partner with and provide advice to FHL owners from Sykes Holiday Cottages (and sister brands), Professional Association of Self Caterers (PASC), The Holiday Cottage Handbook, Cornish Gems, West Wales Holiday Cottages, and more. Our free helpline for customers of these businesses or organisations have helped thousands of owners save tax.

Proud partners of . . .



. . . and many more!

Contents

1.	Introduction	06
2.	What is a Furnished Holiday Let?	07
3.	What is changing?	09
3.1.	Restrictions on relief for finance costs	10
3.1.a.	Who will be affected?	11
3.1.b.	How can you mitigate the impact?	13
3.2.	Capital Allowances	14
3.2.a.	What are Capital Allowances?	14
3.2.b.	Capital Allowances on building fixtures	15
3.2.c.	Claiming revenue expenses rather than Capital Allowances	16
3.2.d.	Capital Allowances - Transitional Rules	18
3.2.e.	FHL Losses - Transitional Rules	18
3.3.	Capital Gains Tax (CGT)	19
3.3.a.	CGT - Transitional Rules	20
3.4.	Allocation of Profits	21
3.4.a.	Mitigation Strategy	21
3.5.	Pension Contributions	22
3.5.a.	What does this mean?	22

3.6.	Business Rates	23
3.7.	VAT	23
3.8.	Inheritance Tax (IHT)	24
4.	Limited Companies	25
4.1.	Should I use a Limited Company for my FHL?	27
4.2.	How do I switch to a Limited Company?	29
4.2.a.	Transfer ownership of the property to a Limited Company	29
4.2.b.	Utilising a Management Company	32
4.3.	What about LLP's?	32
5.	Trading Status of Holiday Let Businesses	33
5.1.	Why are FHL's not trading businesses?	35
5.2.	How could my FHL business be treated as a trade?	36
5.3.	What are the benefits of Trading Status?	37
5.4.	What are the disadvantages of Trading Status?	37
5.5.	Zeal's View	38
6.	Summary & Key Takeaways	39
7.	Disclaimer	41

Section 1. Introduction



Following the announcement in the Spring Budget (March, 2024), on 29th July 2024, HMRC published draft legislation that will abolish the Furnished Holiday Let (FHL) tax regime from 6 April 2025 for individuals and from 1 April 2025 for limited companies.

Despite extensive lobbying efforts by key industry stakeholders like PASC (Professional Association of Self Caterers), it appears certain that the new rules will go ahead as planned, from April 2025. Whilst there is a consultation period (which we understand will be open until mid-September 2024), no major changes to the draft legislation are expected.

There is some hope that the legislation could be delayed a year to give FHL owners more time to prepare, but this seems increasingly unlikely. For the purpose of this e-book, we will assume the new legislation will be applicable from April 2025.

The e-book covers all you need to know about the forthcoming changes and ways you can mitigate the impact on your business. Hopefully, in an easy to understand, no technical jargon way!

Zeal's e-book is designed purely as a guide. Please see the Appendix to this eBook for our disclaimer.

Section 2.

What is a Furnished Holiday Let?



2. What is a Furnished Holiday Let?



Contrary to the wording, a Furnished Holiday Let (FHL) is not a property used just for holidays! It covers all accommodation let furnished, on a short-term basis. FHL's are also commonly referred to as Serviced Accommodation (SA). It includes, flats, houses, caravans, lodges etc that meet the FHL criteria.

To qualify as a FHL, the property must be:

- ▲ Situated in the UK or European Economic Area (EEA).
- ▲ Fully furnished.
- ▲ Let out on a commercial basis with a view to making a profit.
- ▲ Available for letting as short-term accommodation to the public for at least 210 days.
- ▲ Actually let as short-term accommodation to members of the public for at least 105 days.
- ▲ Not let for more than 31 days at a time during the 105 days qualifying period.



If a taxpayer is unable to meet the FHL criteria in a tax year due to exceptional circumstances (e.g. Covid restrictions or refurbishment of the property) but met the FHL conditions in the previous tax year, a **'period of grace election'** can be made. If you have more than one property, you are also able to average the qualifying days criteria between your properties.

For tax purposes, all UK furnished holiday lets are regarded as one business, while any furnished holiday lets in the EEA are regarded as a separate business. The EEA comprises of the 27 member states of the European Union, plus Iceland, Liechtenstein and Norway.

"When is the latest I can start a FHL and still meet the requirements in the final tax year (2024/25)?"

If you start a FHL business part way through the tax year and don't meet the letting days criteria, you can still qualify as an FHL in 2024/25, as long as you meet the criteria in the 12 months after you commence the FHL business.



Section 3.

What is Changing?



3. What is Changing?

From tax year 2025/26 (6th April 2025 to 5th April 2026) the FHL regime will be abolished for individuals, companies and Trusts that operated a qualifying FHL business.

This means that the current tax benefits for qualifying FHL's will no longer be received* and FHL's will be taxed in the same way as long term residential or commercial lets.

In practice, this means the section of your tax return that was previously split into two sections (FHL section and UK Property section) will now be merged into one. Income and expenses from all UK properties will be accounted for together, and tax paid on the

net profit of the combined lets. There will be no changes to how you calculate your profits.

In addition, the same expenses will be tax-deductible (subject to any changes set out in this eBook). For help with tax-deductible expenses for FHL owners, download Zeal's free guide.

[DOWNLOAD](#)

The obvious downside of the changes is the loss of the tax benefits previously received by FHL's. These changes are set out in this section.

**subject to transitional rules for losses, capital allowances and CGT reliefs.*

3.1. Restriction on relief for finance costs

The interest paid on finance costs for an FHL business will be restricted to tax relief at the basic tax rate only. The basic rate of tax is currently 20% (20% to 21% in Scotland).

Finance costs will typically be the interest paid on mortgages to purchase FHL properties, but also includes interest paid on personal loans as well as hire purchase and lease agreements for items such as furniture, hot tubs, business vehicles etc.

A common misconception is that FHL owners will no longer get tax relief for the interest paid on their holiday let mortgage. **This is NOT the case.** The interest costs can still be claimed but the tax relief for higher and additional rate taxpayers will be restricted to 20%. As a result, additional tax could be payable.

For example, if a higher rate tax payer (40% rate) has £10,000 of interest costs, under the existing rules, they would deduct £10,000 from their letting income saving tax of £4,000 ($£10,000 \times 40\% = £4,000$). Going forward, they will only save tax of £2,000 ($£10,000 \times 20\%$).

So, those affected will pay approximately an extra 20p of tax for every £1 of qualifying finance costs. This would rise to 25p per £1 for additional rate taxpayers (45% rate).



3.1a. Who will be affected?

Not all FHL owners will be impacted by the change.

If you don't have a mortgage or any finance agreements, **then there will be no change to how you calculate your tax payable.**

Properties owned in limited companies are also not affected. Full interest deductions can be claimed. It is, however, worth noting that as companies pay corporation tax at 19% to 25%, they will essentially obtain a similar level of tax relief as individuals.

Generally, owners that only pay tax at the basic rate, won't see any change to their tax liabilities. However, this may not be the case for everyone!

A basic rate taxpayer can be exposed to the higher rate of tax due to the way you will calculate your taxable profits in the future. In short, you will not deduct interest from the calculation of your FHL profits (and any other property lets).

Your tax due is then worked out on the profits before the interest is deducted, which can mean your profits push you into the higher tax band.

Once the tax due is calculated, you can deduct 20% of your interest costs from the tax payable.



In Summary . . .

No Mortgage? No problem!

If you are already a higher rate taxpayer from other income sources and you make a profit on an FHL you will pay more tax.

If your other income and profits on your holiday let (excluding the interest deduction) are less than £50,270 you will NOT see any change in the income tax you pay. You will still receive the same tax deduction for finance interest.

ILLUSTRATIVE EXAMPLE

To provide an illustrative example, John has a PAYE job that pays him £30,000 a year. He also has a profitable holiday let that gives him a net profit each year of £20,000 after deducting £10,000 of mortgage interest.

John's total taxable income is £50,000, which is just below the threshold to pay 40% tax rates (£50,270 for 24/25). He has always been a basic rate taxpayer.

In 2025/26, John can't deduct the interest when calculating his holiday let profits. His total income is now £60,000 (£30,000 PAYE + £30,000 FHL profits). This means part of his income is taxed at 40% in 2025/26.

Although John can deduct £2,000 (£10,000 x 20%) from his higher tax bill, he will still end up paying an extra £1,946 a year in income tax. The calculation is below.

	TAX YEAR 2024/25	TAX YEAR 2025/26
Employment Income (PAYE)	£ 30,000.00	£ 30,000.00
FHL Profit (after interest deduction)	£ 20,000.00	
FHL Profit (before interest deduction)		£ 30,000.00
Income Tax Payable:	£ 50,000.00	£ 60,000.00
£12,570 @ 0%	£ -	£ -
£37,430 @ 20%	£ 7,486.00	
£37,700 @ 20%		£ 7,540.00
£9,730 @ 40%		£ 3,892.00
Income Tax Due	£ 7,486.00	£ 11,432.00
Less Tax Relief for £10,000 Interest (@ 20%)		-£ 2,000.00
Net Tax Due	£ 7,486.00	£ 9,432.00
Change In Tax Due	£ 1,946.00	

3.1b. How can you mitigate the impact?

Reducing finance costs (paying off debt) is naturally one way to reduce the impact. However, financial advice should be sought as the funds used to pay down debt may be better invested in other assets that would produce a higher return than the additional tax due, as a result of the tax changes.



Transferring the property to a limited company (referred to as 'incorporating') could reduce tax charges for some, but not all. For more information, see Section 4.2a. on incorporating a FHL business.

Utilising an LLP or Partnership structure could also help mitigate the new rules. If you are able to bring family members into the business and allocate a share of the profits to them, this can reduce your income taxable at the higher rates.

Using a management company to operate the FHL business is an additional option to consider. This is where you would retain ownership of the property in your personal name, but the company would receive the income and pay all the costs.

The company will still NOT be able to claim relief for finance costs where the finance agreement is in personal names, but it can still be effective tax planning if you are considering purchasing more holiday lets or obtaining finance through the limited company. For more information see Section 4.2b.



"I remortgaged my home to buy our holiday let. Can I still claim the interest against my FHL profits?"

Yes! any interest paid on mortgaging your home to fund a deposit, purchase or refurbishment/fit out of an FHL is qualifying loan interest. If you have missed a claim, you can amend last years tax return (2022/23) to claim the deduction for that year.

3.2. Capital Allowances

FHL owners will no longer be able to claim capital allowances, except for the replacement of 'domestic goods'.



3.2a. What are Capital Allowances?

Capital allowances provide tax relief for qualifying Plant & Machinery ("P&M") assets that are used in a business. The most common examples for holiday lets are the furniture, furnishings, equipment and of course, hot tubs!

The good news is that existing holiday let owners will STILL be able to claim capital allowances on replacing 'domestic goods'. Per HMRC, a domestic item is an item for domestic use such as:

- ▲ Moveable furniture (sofas, tables, bed frames etc).
- ▲ Furnishings (curtains, rugs, carpets etc).
- ▲ Household appliances (fridges, freezers, washing machines etc).
- ▲ Kitchenware (utensils, crockery, cutlery etc).

This list is not intended to be complete but gives an idea of the assets that are domestic items that would qualify for 'Replacement of Domestic Items Relief'. It is unclear if HMRC will consider a hot tub as a domestic good!

The downside is for new owners entering the FHL industry after 2025 and for existing owners setting up new properties. They will no longer be able to claim capital allowances on these assets.



"If I bought a new property after 2025 and moved the furniture from my existing holiday let to the new one, can I claim tax relief on replacing the furniture in the existing property?"

In practice, yes you can! This may be an option, if all or some of the furniture is suitable for the new property.

3.2b. Capital Allowances on building fixtures

Many FHL owners are unaware that there is an extra level of capital allowances that can be claimed on the 'fixtures' within the fabric of the building. These are often referred to as 'embedded fixtures'.

Embedded fixtures include electrical, heating and ventilation systems, kitchens, bathrooms, water and disposal pipework, carpets, alarm systems, telecommunications and, whilst the windows and doors don't qualify, the handles, locks and hinges do!

Embedded fixtures can be claimed on part of the original purchase price of the building. This generally equates to 20% to 30% of the price paid to buy the property. Claiming capital allowances on part of the purchase price results in significant tax savings.

Many believe they've claimed all their capital allowances, however, it is estimated that ...

80% of holiday let owners have never claimed tax relief on the purchase price of their property and are sitting on thousands of pounds in tax savings!

The reason many owners have not claimed is because quantity surveyors and capital allowances specialists are required to determine the qualifying expenditure. It is therefore **not a service a general accountant can typically provide.**



In addition, capital allowances can be claimed on the embedded fixtures that you install during the **refurbishment, conversion or construction of a qualifying FHL.**

Generally, these costs remain unclaimed as 'capital expenditure' as there is a misconception that they are only claimed against Capital Gains Tax when you sell. However, that is only partly correct. Capital expenditure that qualifies for capital allowances can be deducted against your business profits AND your capital gain when you sell!

The good news is that it's not too late to make a claim! Even if you bought, refurbished or constructed your property several years ago, you can still make a claim now!

With the change in rules approaching, **now is the time to review your capital allowances and ensure you have not missed a claim,** particularly as the new rules will allow the benefit of the capital allowances tax relief to be claimed after the rules change (see Section 3.2d).

3.2c. Claiming revenue expenses rather than Capital Allowances



"Can I still claim capital allowance on the original purchase if it used to be my home?"

Yes, the purchase will qualify for capital allowances from the tax year it qualifies as a FHL (subject to meeting all other criteria).

"Will claiming capital allowances affect the property being exempt from CGT?"

Claiming capital allowances has NO impact on CGT calculations if you sell the property for a gain. However, if you've used the property as an FHL as well as your home, any gain won't be fully exempt. See illustrative example in section 4 FAQs.

"Surely my accountant has claimed already this?"

Your accountant would have claimed capital allowances on your set up costs (furniture & furnishings) and sometimes on refurbishments costs, but a capital allowances valuation report is required to calculate the value of the part of the purchase price that can qualify for capital allowances. This requires quantity surveying skills, which accountants are not trained in.

"Can I claim capital allowances if my property is in Spain?"

Capital allowances can be claimed on FHLs situated in the European Union, plus Iceland, Liechtenstein & Norway. Although you can claim on your Spanish property, it will only be relevant if you pay tax on profits in the UK as well as Spain. Often the tax paid in Spain, means you don't have to pay again in the UK.

Once the rules change, holiday let owners will no longer be able to claim capital allowances on embedded fixtures that they purchase with, or install in, their FHL property. However, it will still be possible to treat the replacement of certain embedded fixtures as a business expense. For example, replacing a kitchen, bathroom, carpets or alarm systems.

The downside of claiming the replacement embedded fixtures (e.g. a kitchen) as an expense rather than capital allowances, will be that you can't deduct the cost of the replacement kitchen when calculating your capital gains tax if you sell the property in the future (unlike with capital allowances). Zeal will provide further guidance on this in due course.

CASE STUDY: South Wing Holiday Home Purchased in 2008 for £545,000

Capital Allowances
Identified: **£150,000**

Tax Savings
Unlocked: **£30,000**

Owner Cash Rebate
(after fee) of: **£2,500**



Find everything you need to know about this specialist tax relief in Zeal's free capital allowances guide for FHL owners.

DOWNLOAD

CLAIM CAPITAL

ALLOWANCES

NOW

... OR RISK LOSING VALUABLE TAX SAVINGS.

Zeal are offering holiday let owners **a free consultation** to determine if they have unclaimed capital allowances in their properties. Get in touch to secure yours today.

ARRANGE FREE CONSULTATION



3.2d. Capital Allowances – Transitional Rules

A major positive of the new legislation is the transitional rules for capital allowances. The new legislation confirms that there will be transitional rules that will allow any remaining capital allowances to still be claimed after 2025, until they are used up.

Furthermore, they will also be available to offset tax due on ANY property income! This means if you have residential or commercial property income, the capital allowances can be used to reduce tax due on these properties as well as your FHL. This will be extremely valuable to property investors!

If capital allowances create losses, these losses will also be available to carry forward and set against all property income (see section 3.2e)



3.2e. FHL Losses – Transitional Rules

Further good news for FHL owners is the confirmation that any FHL losses remaining at the end of the 2024/25 tax year, will be retained until they are used up. The losses will also be available to offset against any UK property income (as above).

"I make a profit on my BTL portfolio but have a big loss on my FHL from my original set up and refurbishment costs. Do the new rules allow me to use the losses I have on my FHL against my BTL portfolio?"



Yes, from 2025/26 the remaining FHL losses will be available to reduce tax due on any other property income. Future losses created by an FHL will also be offset against profits from other UK property income each year.

Any unused capital allowances or losses on overseas properties can, however, only be used against overseas property income, they can't be used against any UK FHL or other UK property income.

3.3. Capital Gains Tax (CGT)



"Can I just gift my FHL to my children?"

Gift/Holdover relief is a valuable option to consider if you wish to pass on the property to your dependents now. If there is no mortgage on the property (or there is less than £40,000 remaining) there would be no CGT or SDLT (or equivalent) to pay (if transferred before 6th April 2025).

Please be aware that gifting an asset is a Potentially Exempt Transfer (PET) for IHT purposes. Providing you or your spouse live for 7 years after the gift, the property will not be included in your estate for IHT purposes.

Another major change is the CGT you will pay when you sell your FHL. CGT is calculated based on the sale price of your property, less the original cost, improvement expenditure and costs of buying and selling (e.g. solicitors and agent fees).

Under the existing FHL tax regime, there are currently three CGT reliefs available:

▲ Business Asset Disposal Relief (BADR)

BADR enables FHL owners to pay a reduced CGT rate of only 10% (18% to 24% are the current CGT rates for the sale of residential property).

▲ Gift/Holdover Relief

It is currently possible to gift or transfer a property and not pay any CGT. The CGT is paid by the new owner when they sell the property.

▲ Rollover Relief

If the proceeds of the sale of a FHL are reinvested in a new FHL or other qualifying asset (e.g. shares in certain companies), the gain can be deferred until you sell the new asset. To be able to defer the full gain, all proceeds must be reinvested in the new asset within 3 years of sale or the preceding year (e.g. you purchased another FHL 11 months ago).

If all proceeds are not reinvested, only part of the gain can be rolled over. Rollover relief is essentially a cash flow benefit as you will generally pay the CGT you deferred when you sell the new asset.

These CGT reliefs will be withdrawn under the new legislation.

3.3a CGT – Transitional Rules

There are again favourable transitional rules for FHL owners that are considering selling their FHL property.

▲ Business Asset Disposal Relief (BADR)

Providing the property is sold or you cease the business before the new rules change, BADR will still be available.

BADR can still be claimed if the property is sold within 3 years of the business ceasing. This will give owners time to sell the property, as long as they stop short-term letting before the rules change. The property could be let on a long-term basis during the 3 year period.

It is important to note that BADR applies on the sale of all or part of a business' assets. If you have multiple holiday lets, only sell one

property and continue to operate the other properties as FHL's, BADR is unlikely to be available for the property sold.

HMRC's view is likely to be that you have sold an asset of the continuing business. An option for anyone impacted by these rules could be to use a management company to operate the holiday let business of the remaining properties (See Section 4.2b).

▲ Rollover Relief

The transitional rules will still allow roll over relief to be claimed if the proceeds are reinvested in a qualifying asset in the 3 years after the rules change. However, an FHL will no longer be classed as a qualifying asset post April 2025.



"Can I still claim BADR if I exchange contracts before the April deadline and complete sometime in the future?"

The exchange of contracts is the effective date of sale for CGT purposes. However, there are anti-forestalling provisions that prevent exchanging contracts before the new rules change and completing the sale at a later date.

"My holiday let used to be my home. Am I still exempt from CGT on sale?"

Private Residence Relief (PRR) which exempts gains on the sale of your home (main residence), will still be available for the period of ownership that the property was your main residence, plus the last 9 months of ownership. The period of time that your property was a holiday let will be chargeable to CGT.

Example, Mr & Mrs Jones owned their property for 10 years and 6 months. For the last 2 years and 2 months, the property has been a holiday let.

▲ Gain on sale £100,000.

▲ Total ownership period – 126 months (10.5 x 12).

▲ Holiday let period – 26 months.

▲ Restricted period 17 months (26 – 9) or 13.5%.

▲ Exempt period – 9 months.

▲ Gain chargeable £13,500.

Mr & Mrs Jones will each be able to deduct the annual tax free CGT allowance of £3,000 each, leaving just £7,500 gain chargeable to CGT (£3,750 each).

3.4. Allocation of Profits

As a FHL business is treated as a trade for tax purposes, under the existing legislation, the profits could be allocated to joint owners in a tax efficient manner. They didn't have to be split 50/50. This was beneficial if one owner had higher taxable earnings than the other.

It is important to note that the 'drawings' (cash taken from the business), does not have to reflect the profits declared on a tax return. For example, if profits for the year were £10,000 and

this was all declared on owner A's tax return, owner A and owner B could still withdraw £5,000 each from the business.

Under the new rules, joint owners of properties will need to share profits in the proportion of their ownership in the property. For example, if Mr A & Mrs A own a property as 'joint tenants' they legally own 50% of the property each. Profits would need to be shared in this ratio. As above, actual drawings can be different.



3.4a Mitigation Strategy



We have always split our profits 50/50 as we were not aware we could allocate more profits to the lower earner. Can we go back and change it?

If it would be more tax efficient to tax the profits on a lower earner, you can still amend your 2022/23 tax returns until 31 January 2025. If you have already submitted 2023/24, these can also be amended until 31 January 2026.

The new rules are likely to result in FHL owners paying more tax as many joint owners have taken advantage of utilising personal allowances and lower tax brackets.

Notwithstanding the above, there is a mechanism where the income from the property can be legally changed to unequal shares for married couple or civil partners. This is known as a Declaration of Trust (DofT). It is a simple legal document that dictates the allocation of income from a property between the joint owners.

Once a declaration is made, it remains in force until the couple's interests in the property changes, or they stop living together as a married couple or as civil partners. This means there is less flexibility to change the profit split each year, but for many owners, this will be a valuable tool to reduce future tax liabilities. A DofT needs to be submitted to HMRC for it to be valid.

3.5. Pension Contributions



Under the FHL regime, income from an FHL is classed as relevant UK earnings for calculating the amount of pension contribution that an individual can claim tax relief on in a tax year. The maximum contribution

amount on which an individual receives tax relief in any tax year is the greater of:

- ▲ The 'basic amount' - currently £3,600.
- ▲ The amount of the individual's relevant UK earnings that are chargeable to income tax for the tax year.

Once the rules change, FHL income will no longer be classed as relevant earnings. If an FHL owner has no other 'relevant UK earnings' the maximum contribution they can make that will receive tax relief is £3,600.

3.5a. What does this mean?

When you make a qualifying contribution to your personal pension scheme, an additional 20% is added to your pension pot by HMRC. If you are a higher rate tax payer, you are also able to increase the limit where you pay 40% tax, thus obtaining a further 20% tax saving.

For example, if a higher rate taxpayer makes a qualifying contribution of £10,000, £12,500 will be added to the pension fund. They will also increase the basic rate tax band from £52,270 to £64,770. This will reduce income tax payable by £2,500. Unfortunately, unused tax relief can no longer be carried backwards or forwards to other tax years.

Pension contributions must also be made in the tax year to obtain the relief.

What are other relevant earnings?

- ▲ Employment income - including benefits in kind (company cars or health care).
- ▲ Trading income.
- ▲ Statutory Sick Pay (SSP) and Statutory Maternity Pay (SMP) – paid by an employer.
- ▲ Pay paid by way of Government Securities.
- ▲ Pay in the form of units in an authorised unit trust.
- ▲ Patents or Royalties.



"Can I include dividends from my company as relevant earnings?"

Dividends don't count as relevant earnings. However, if it is your personal company then it is more tax efficient for the company to make pension contributions for you. The company make tax free contributions for you up to £60,000 each and claim corporation tax relief on the pension contributions.

3.6. Business Rates

There will be no changes to how you apply for and qualify for business rates.



“When can I apply for business rates?”

To be able to apply for business rates, you must have your property available for short-term letting for 140 days (252 in Wales) and actually let it for 70 days (182 days in Wales) before you can apply to switch from council tax. This is in any 12 month period, not a tax year or calendar year.

“How long does it take to process and do I still have to pay council tax in the meantime?”

Currently, we are aware that the Valuations Office Agency (VOA) are taking around 6 months to process applications. During this time, you will continue to pay council tax. Any overpaid council tax will be refunded back to the date you qualified for business rates.

3.7. VAT

VAT will still be applicable to properties let on a short-terms basis, when the total turnover of the business exceeds £90,000 in any 12-month period.



“Will the flat rate scheme be better for me?”

If you need to register for VAT, the Flat Rate VAT Scheme (FRS) is likely to be the best option if your cleaners, maintenance and other service providers are not VAT registered. Under the FRS, you only have pay HMRC 10.5% (rather than current 20% rate) of the gross rent received (before agent commissions deducted).

However, you can't reclaim any VAT on your running costs (excluding certain purchases over £2,000). You do have to have a minimum of £1,000 of qualifying expense each year to qualify for the 10.5% rate. To determine which scheme is best for you, seek specialist advice.

“Do I need to include income from lets of 31 days or more in my turnover calculations for VAT?”

No! Only lets of 28 days or less are subject to VAT. Doing some longer terms lets is a good way to mitigate VAT registration.

3.8. Inheritance Tax (IHT)

Generally, holiday lets / self-catering accommodation don't qualify for IHT relief. The withdrawal of the FHL regime is therefore unlikely to have any impact on the ability to claim relief from IHT. There are, however, hospitality businesses that can qualify for IHT relief. Again, the abolition of the FHL regime is unlikely to impact the ability for these businesses to meet these tests, as they are not linked specifically to the FHL tax regime.



For more information on IHT for FHLs', you can read Zeal's article: [Inheritance Tax & Holiday Lets - Understand the Law!](#)

[READ ARTICLE](#)

Section 4.

Limited Companies



4. Limited Companies

A limited company is a separate legal entity. A company is owned by the shareholders, who appoint directors to manage the company. A director does not need to be a shareholder.

Limited companies have generally offered a tax efficient method of operating a business. In recent years, rises in corporation tax and dividend rates have seen the tax benefits eroded. However, they can still provide a tax efficient structure for operating a business or holding investment assets.

Companies pay corporation tax on the annual profits. If the profits are then withdrawn by the shareholders via a dividend, tax is paid by the shareholders based on the amount of dividend received.



The current corporation tax rate is 19% for profits up to £50,000. Profits exceeding £250,000 pay corporation tax at 25%. There is a hybrid rate for profits between the higher and lower limits.

Dividend tax rates are currently:

- ▲ 0% on the first £500 from dividends (this is called the Dividend Allowance).
- ▲ 0% if your total income is under the Personal Allowance.
- ▲ 8.75% if you're a basic rate taxpayer.
- ▲ 33.75% if you're a higher rate taxpayer.
- ▲ 39.35% if you're an additional rate taxpayer.

Companies benefit from limited liability. This means that shareholders are only liable for the amount they pay for the shares. This is a key benefit of using a corporate structure.

4.1. Should I use a Limited Company for my FHL?

There is no simple answer as each owners' circumstances will be different. Below are the main pro's and con's of using a limited company to operate their holiday let / property business:



Advantages

- ▲ Potential for lower annual tax liabilities
– specifically if you don't need to withdraw profits for general living costs.
- ▲ Potential to release equity from property when remortgaging in company.
- ▲ Potential to create a loan due from the company if no mortgage.
(profits can be extracted with no tax implications until loan used up).
- ▲ Transferring property to a company can eliminate the rise in value that would be subject to CGT.
- ▲ Ability to bring in additional shareholders (e.g. family members).
- ▲ Greater flexibility for Inheritance tax planning.



Disadvantages

- ▲ Higher annual tax charges
– specifically if you need to withdraw profits for general living costs.
- ▲ Additional costs of operating a company.
It costs an average of £1,000 - £2,000 a year in accountancy fees to prepare statutory accounts, a corporation tax return, company secretarial paperwork (dividends vouchers, board minutes, etc). You also still need to do personal tax returns.
- ▲ Mortgage rates typically higher for limited companies.
- ▲ Exit charges on mortgages (requirement to remortgage in company name).
- ▲ Potential SDLT (or equivalent) tax charge on transfer.
- ▲ Upfront costs for professional fees (e.g. tax advice, conveyancing fees).

The main driver for FHL owners considering running their business via a Limited company will be to reduce annual tax liabilities, but also the flexibility to pass on the business to their dependents in a tax efficient manner. Below we have provided some illustrations to demonstrate the likely benefit or lack of it!

Other Income

		<u>£0</u>	<u>£25,000</u>	<u>£50,000</u>	<u>£75,000</u>	<u>£100,000</u>	
<u>Annual Profits</u>	<u>£10,000</u>	£1,900	£433	-£25	-£42	-£422	Withdraw all profits from company
	<u>£25,000</u>	£3,176	£1,346	£926	£909	-£41	
	<u>£50,000</u>	£4,282	£1,730	£2,510	£593	£2,493	
	<u>£75,000</u>	£4,900	£4,556	£2,095	£5,320	£4,567	
	<u>£100,000</u>	£7,547	£2,889	£8,146	£7,022	£7,172	
<u>Annual Profits</u>	<u>£10,000</u>	£1,900	-£100	-£2,046	-£2,100	-£4,100	Leave all profits from company
	<u>£25,000</u>	£2,264	-£250	-£5,196	-£5,250	-£10,250	
	<u>£50,000</u>	£2,014	-£5,446	-£10,446	-£15,500	-£15,528	
	<u>£75,000</u>	-£1,307	-£8,821	-£18,903	-£18,903	-£20,153	
	<u>£100,000</u>	-£4,682	-£17,196	-£22,224	-£23,528	-£24,778	



Tax savings in personal ownership



Tax savings in company ownership

**NOTE - these figures are for illustrative purposes only.*

The above examples indicate that there will be little to no annual tax benefit of using a limited company to operate a FHL business, unless your income is over the higher rate tax bracket and don't need to withdraw the profits each year. The advantages are likely to be greater if you have a portfolio of other property lets in your personal name that you can transfer with your FHL.

4.2. How do I switch to a Limited company?

There are two options available. You can legally transfer the ownership to a new or existing limited company (referred to as 'incorporating or incorporation') or you can set up a management company that will operate the business but not legally own the property. These options are considered below:



4.2a. Transfer ownership of the property to a Limited company



It is possible to transfer ownership of the property to a limited company. The company becomes the legal owner. If there is a mortgage on the property, a new mortgage will be required in the company's name (it might be possible to port the mortgage in some circumstances). Currently, there are 3 ways of incorporating an FHL. These methods are outlined below:

*Option 1 :
Transfer the property
in return for shares
in the company.*

The most common way to incorporate a business is to claim '**Incorporation Relief**' (TGCA 1992 s162). Under this method, the whole of the assets of the business (excluding cash) are transferred to the company in exchange for shares in the company. The gain on the assets transferred are deferred into the value of the shares.

Providing the shares of the company are not sold (the property is sold not the shares), then the gain on the property, to the date of transfer, is eliminated. Only the rise in value after transfer would be subject to corporation tax in the future.

The main advantages of a s162 incorporation are the ability to eliminate the gains on property that have arisen since purchase and not paying any tax now. s162 Incorporations can be particularly beneficial when transferring a portfolio of investment properties held in personal names, that have risen significantly in value. After incorporation, the properties could be sold with no capital gains tax!

Main disadvantage is that no cash can be received or loan created for value of property transferred.



*Can I still
incorporate
after April 2025?*

Yes, you can still
still incorporate
after April 2025.

As qualifying FHL's can claim **Gift Relief** until April 2025, it is possible to gift the property to the company and defer any gain. The company would pay corporation tax in future based on the rise in value from when you purchased it in your personal name to the date it is sold by the company. The gain is just deferred to a later date.

Whilst this option is available, claiming s162 incorporation relief would be more beneficial as the gain from purchase to date of transfer to the company is potentially eliminated.

Option 2 :

*Transfer the property
and claim gift or
holdover relief*

Option 3 :

*Sell the property to
the company and pay
10% CGT rate*

The third option is to transfer the property to the company and claim **BADR** (see section 3.3). The property is transferred at market value and CGT paid at 10% on the gain from the date of purchase to date of transfer. When the company sells the property in the future, it pays corporation tax on the rise in value from the date of transfer (as per s162 relief).

Whilst this will create a tax charge at the point of transfer, you will be able to take advantage of the 10% rate for BADR. A CGT rate of 10% is the lowest you will likely ever pay, whether as an individual or limited company!

If there is no mortgage on the property and the company does not have the cash to buy it from you (generally the case if transfer is to a newly formed company), then a loan would be created between you and the company. It will be possible to extract the profits of the FHL business, without any tax payable, until the loan was repaid.

If a new mortgage is required in the company and there is equity in the property, this can be received in cash personally or by the company, which would generate a loan due from the company that you can withdraw from profits, tax free!

The obvious downside of this option is the CGT that would be payable on transfer.



SDLT

Implications on Transfer to Company



Stamp Duty Land Tax (SDLT) is payable based on the market value of the property at the date of transfer.

As FHL's are generally considered residential property (there are some exceptions in England e.g. properties with planning restrictions as holiday lets), the second property surcharge is payable (even if company has no other properties).

The SDLT surcharge is currently 3%. In some cases, the SDLT charge will mitigate the tax benefits of incorporating.

There are however provisions within tax legislation that result in SDLT being charged at 0% if the assets are transferred by a partnership to a company that is owned by the partners. This is a huge benefit to any FHL owners considering incorporating their business.



My husband and I have run our holiday let for several years and just put our share of the income and expenses on our tax returns. We don't do a partnership tax return. Does that mean we don't qualify?

No! There is no requirement to submit a partnership tax return to be meet the partnership criteria. A partnership is defined as 'two or more people in business together, with a view to making a profit'. Most joint owners of FHL's should meet the partnership condition.

Note – In Wales Stamp Duty is known as Land Transaction Tax (LTT) and in Scotland Land & Buildings Transaction Tax (LBTT). The rates are different for LTT and LBTT. The additional surcharges are 4% in Wales and 6% in Scotland.

4.2b. Utilising a Management Company

An alternative to a full incorporation is to retain the property in personal ownership and set up a company to manage the business. The company would receive the rents and pay all the expenses. Corporation tax would be paid on the profits.

A rent would be paid to the legal owner from the limited company for use of the property. Mortgage interest would still be paid by the legal owner, the company would NOT get a tax deduction. However, if you were to take out new finance on say a hot tub or furniture in the company's name, full relief could be claimed for the interest costs by the company.

The downside of this option is that owners will still have rental income to declare and the restriction for the mortgage or other interest

payable in personal names will still be subject to the restrictions. However, for some owners, this planning can be effective and tax efficient.

Please note - holiday let agencies may only be able to let to the legal owner or there may be restrictions by lenders of operating in this way.



4.3. What about LLP's?



Limited Liability Partnerships (LLP's) are taxed in the same way as a general partnership. They are subject to income tax and the finance cost restrictions will still apply.

There are no CGT or SDLT tax implications of using the LLP as the properties would remain in personal ownership. LLPs also have limited liability, like a company, which can be of significant benefit.

The main advantage of an LLP is the ability to bring in other members (partners), usually family members, to allocate the profits to and reduce annual tax charges.

A general partnership can be used in the same way but does not provide the limited liability. An LLP structure is simpler to switch to than a limited company and is often a stepping stone to a full incorporation.

Note - there are companies that have previously advised on using LLPs with a corporate partner to circumvent the finance cost restrictions for property businesses. HMRC are now aware of the planning and their stance is that these structures are tax avoidance schemes. You can read more about this on the [GOV.UK website here](https://www.gov.uk).

Section 5.

Trading Status for Holiday Let Businesses



5. Trading Status for Holiday Let Businesses

Qualifying Furnished Holiday Lets have previously been regarded as a 'trading activity' for income tax and corporation tax. Introduced in 1982, the FHL regime was designed to provide clarity on the difference between a trading business and a property business as trading businesses had more favourable tax treatment than standard property letting.

As all FHL property owners will know, operating a FHL is very different to a long term residential or commercial let. This was also the view of the government at the time, hence the introduction of the FHL tax legislation.

The introduction of the FHL tax regime sought to provide clarity and fairness in the tax treatment of FHL businesses. The FHL regime was effectively created as a 'hybrid' trading activity. Whilst it received many of the tax benefits of 'trading' status, there are some restrictions that don't apply to other trading businesses.

For example, losses could only be set against FHL income, whereas a trading business can set losses against ANY taxable income. Similarly, FHL's were not regarded as trading businesses for Inheritance Tax relief, they would still form part of your estate for IHT, unlike a Bed & Breakfast or Guest House.

The abolition of the FHL tax regime will remove the tax benefits of the trading status and treat the income received as being from a 'UK property business'. As a result, the adverse tax implications set out in this e-book will apply.



5.1. Why are FHLs not Trading Businesses?



In HMRC's view, FHL's do not provide sufficient additional services to achieve trading status.

For HMRC, a typical furnished holiday let owner generally provides the following services:

- ▲ Cleaning between tenancies.
- ▲ Bed-changing between tenancies.
- ▲ Routine maintenance and repairs.
- ▲ Administrative tasks (answering emails and taking calls from guests).

Many also provide fresh flowers, toiletries, a few other essentials such as bread and milk, and perhaps even a bottle of wine or a welcome pack with more food and

drink, sometimes even homemade. None of these are regarded as sufficient additional services to make the business a trade in HMRC's eyes. This view has also been upheld by the Courts.

What or how many additional services are required is not clear. We do know is that Hotels, B&B's and Guest Houses are accepted by HMRC as trading businesses. In the case of a B&B, the provision of a cooked breakfast is sufficient to meet the test!

It is certainly a grey area of tax legislation. With the abolition of the FHL regime, we would expect HMRC's view of the boundary between trading and mere rental income to

5.2. How could my FHL business be treated as a trade?

Over the past 40 years since the FHL tax regime was introduced, there has been little need for FHL owners to challenge the trading status as the special tax legislation provided almost all the benefits of a trading business. The main exception to this was Inheritance Tax (IHT).

HMRC and the Courts stance was that the activities of FHL businesses were not sufficient to meet the trading test to qualify for Business Property Relief (BPR). Where BPR applies, 100% of the value of the business and business assets are exempt from IHT.



Whilst several cases heard by the Courts found in HMRC's favour and denied BPR (on the basis that they did not provide sufficient additional services), The case of PRs of Graham v HMRC [2018] UK FTT 306 offers some hope to holiday let / self-catering property businesses.

The Tribunal considered in detail the additional services provided by Mrs Graham, which included:

- ▲ Use by guests of well-maintained gardens, a solar-heated outdoor pool, sauna, barbeque area, games room and laundry facilities.
- ▲ Supply of fresh flowers, homemade goods, toiletries and cleaning materials for each flat.
- ▲ Providing bicycles for hire.
- ▲ Unpacking guests' grocery shopping orders.
- ▲ Assistance with arranging events/parties such as weddings, anniversaries etc.
- ▲ Purchase of fresh fish for guests' use.
- ▲ Weekly cleaning of all communal facilities including the pool.

It was noted in the judgement that the activities required about 200 hours of work in a 35-week rental season.

In its conclusion, the FTT stated that this was an exceptional case, which just fell on the 'non-mainly-investment' side of the line. The deciding factors were the pool, the sauna, the bikes and, in particular, the personal care lavished upon guests by the owner's daughter. HMRC have not appealed the case.

A full summary of the cases and IHT position is included in Zeal's article: [Inheritance Tax & Holiday Lets - Understand the Law!](#)

[READ ARTICLE](#)

5.3. What are the benefits of Trading Status?

The advantages of trading status for individuals owning a business personally are:

- ▲ Full tax relief for interest and finance costs.
- ▲ Capital allowances can be claimed.
- ▲ CGT reliefs will still be available (BADR, Gift Relief, Rollover relief and Incorporation relief).
- ▲ Ability to make significant pension contributions.
- ▲ Loss relief: losses from a trading business can be set against any other income and gains.

For those operating their business through a company, the advantages of trading status are:

- ▲ Capital allowances can be claimed.
- ▲ BADR available on a sale of company shares.
- ▲ Rollover relief & Holdover relief on a transfer of company shares.
- ▲ Loss relief: More flexibility for utilising trading losses versus losses from a property business

Trading status will enable businesses owned personally, or through a company, to qualify for 100% IHT relief.

5.4. What are the disadvantages of Trading Status?

The main disadvantage of trading status is National Insurance Contributions (NIC) which are payable by unincorporated trading businesses.

The hybrid trading status of an FHL, however, had the benefit of not being chargeable to Class 2 & Class 4 NIC. From 2024/25 tax year, Class 2 NIC's were abolished (previously £3.45 per week) and Class 4 NIC contributions reduced from 9% of profits to 6%.

The rates of Class 4 National Insurance on self-employed trading income for 2024/25 are as follows:

- ▲ Up to £12,570 = 0%
- ▲ £12,570 to £50,270 = 6%
- ▲ Over £50,270 = 2%

Under the previous Conservative Government, these rates were expected to remain the same until 2027/28, although this may not be the case following the Autumn Budget.

"I'm over the state pension age. Will I pay NIC on profits?"

National Insurance Contributions will not impact FHL owners who are over the state pension age as NIC's are not payable.



5.5. Zeal's View

For owners with a single holiday let or perhaps multiple holiday lets but only provide the typical services expected of short-term accommodation and devote limited time in carrying out these activities themselves, there will be little scope to obtain trading status. For many, there would be little benefit and may even come at a cost if NIC's are payable.

However, there will be many owners where Zeal would strongly contest are trading businesses and not simply property investments. This is the same view that the Office of Tax Simplification (OTS) came to when they published a report of the FHL Tax Regime in November 2022.

The OTS report outlined a suggested 'brightline' test to provide tax reliefs where property letting activities subject to income tax would qualify as a trade. This report proposed possible factors to be considered within the test are:

- ▲ Minimum number of properties let.
- ▲ Letting is on a short-term basis.
- ▲ No personal use of the let.
- ▲ Minimum level of personal time devoted to the property letting and services provided.

Read the full OTS Property Income Review on the [GOV.UK website here](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/108441/ots-property-income-review.pdf).

In Zeal's view, self-catering accommodation businesses, that have multiple properties, include facilities such as gyms or swimming pools should qualify for trading status.

Smaller FHL businesses could take steps to add additional services to tip the balance of property investment versus trading status in the favour.

Some examples include:

- ▲ Providing meals or refreshments.
- ▲ Providing housekeeping and cleaning services, or fresh linen during (not just between) tenants' occupation.
- ▲ Providing games rooms, gyms, or other recreational facilities.
- ▲ Providing concierge services.
- ▲ Living on-site to provide maintenance services and tourist information.
- ▲ Providing recreational equipment for hire (e.g. bikes, scooters).
- ▲ Offering guided tours, airport transfers or even an on-site shop.

As every scenario will be different, Zeal recommends owners seek professional advice on their business status before taking any action.

The logo for Zeal, featuring the word "ZEAL" in a bold, sans-serif font. The letters "ZE" are dark blue, and the letters "AL" are a vibrant green. The letter "A" is stylized with a white triangle pointing upwards.

Section 6.

Summary & Key Takeaways



The information contained within this eBook and the frequently asked questions cover not only the draft legislation that has been announced, but our experience of talking and working with holiday let owners all over the UK on a daily basis. We sympathise with our clients and friends of the firm as it is a difficult time for the industry, new regulations, competitors ignoring regulations, rises in mortgage rates and utility costs and of course, the terrible British weather!

We hope the information contained within this eBook provides the information you are looking for in a way you can understand.

Key Takeaways

- ^ Not everyone will be affected and some, not at all!
- ^ Review your historical capital allowances position and ensure all are claimed before the deadline.
- ^ Take professional advice if considering an incorporation. Make sure it's the right thing for you.
- ^ Incorporation will be an attractive option for some owners. The use of a Family Investment Company (FIC) would be recommended if you wish to pass on the FHL or investment property to your dependents. Please contact Zeal for more information and to discuss your scenario.
- ^ Where a full incorporation is not possible, an LLP could provide a tax efficient structure now and help facilitate an incorporation in the future.
- ^ New owners – get going before 25th April 2025 and make sure you hit the letting days in the first 12 months after.
- ^ There is a Budget due in November 2024 and indications are it will not be good news for businesses.
- ^ There are no changes to how you calculate your profits. Most costs will still qualify.
- ^ New legislation and regulation can be good for business! Licensing will reduce the over supply in the market and potentially evict the non-compliant owners. Less tax breaks will also discourage new investors into the industry.
- ^ Things can still change! The legislation to abolish FHLs is still draft and yet to receive Royal Assent. Whilst no changes are expected, anything can happen!



ZEAL

Zeal are here to help!

Zeal and **The Holiday Cottage Handbook** are delighted to be working together to help ensure all furnished holiday let owners take advantage of the tax relief available to them before it's too late.

As part of this partnership, we are offering **The Holiday Cottage Handbook** subscribers a free 15 minute consultation to help you identify if you have any unclaimed capital allowances in your holiday property.

If you do, Zeal can provide you with a free proposal, including an estimate of your potential tax savings and the next steps. As Zeal also work on a paid-by-results basis with no upfront costs, there is no risk in having a conversation with our team.

Schedule your free chat today!



SCAN QR CODE TO BOOK



or for more information
visit: www.gozeal.co.uk/HCH

GOT A QUESTION ABOUT OUR EBOOK?

Contact Zeal on 01633 742243 or hch@gozeal.co.uk

Disclaimer from Zeal Tax

1. *Please note that this eBook is intended as general guidance only and does NOT constitute accountancy, tax, financial or other professional advice. Zeal Tax make no representations or warranties with respect to the accuracy or completeness of the contents of this publication and cannot accept any responsibility for any liability, loss or risk, personal or otherwise, which may arise, directly or indirectly, from reliance on information contained in this publication.*
2. *Please note that tax legislation, the law and practices of UK government and regulatory authorities (e.g. HM Revenue and Customs) are constantly changing. Furthermore, your personal circumstances may vary from the general information contained in this eBook, meaning information may not be applicable or suitable for your situation. We recommend that for accountancy, tax, financial or other professional advice, you consult a suitably qualified accountant, tax specialist, independent financial adviser, or other professional adviser who will be able to provide specific advice based on your personal circumstances.*
3. *This guide covers UK taxation only and any references to 'tax' or 'taxation', unless the contrary is expressly stated, refer to UK taxation only. Please note that references to the 'UK' do not include the Channel Islands or the Isle of Man. Foreign tax implications are beyond the scope of this eBook.*



ZEAL