Key Advice

CAVETTA CONSULTING
Unlocking Capital Allowances

Key Advisors Lawyers and Solicitors

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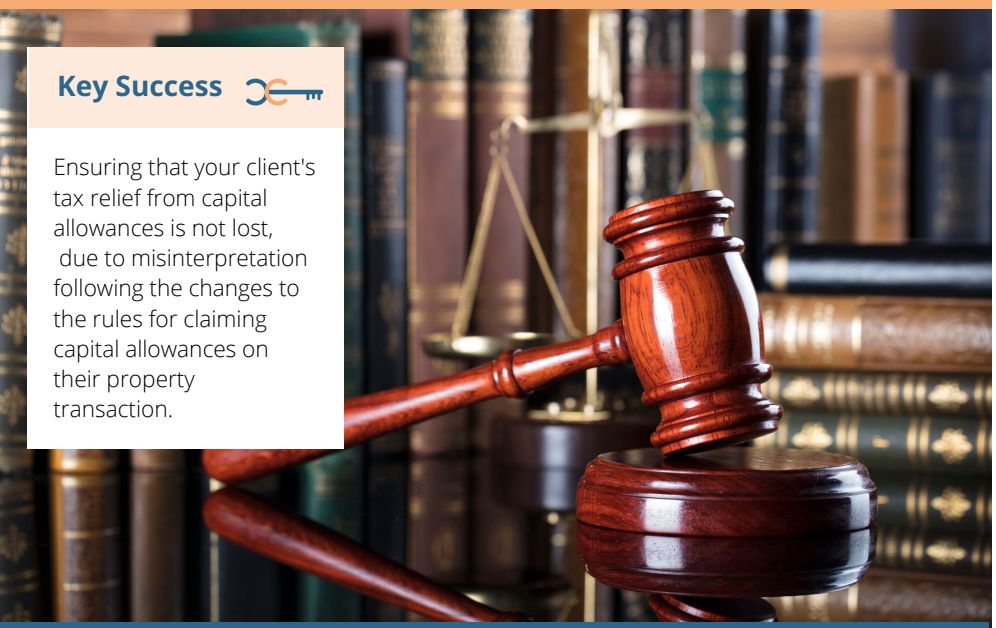
UNLOCKING PROPERTY TAX – TAX RELIEF FOR LAWYERS AND SOLICITORS



Key Success

Ensuring that your client's tax relief from capital allowances is not lost, due to misinterpretation following the changes to the rules for claiming capital allowances on their property transaction.

Since 2012, changes to the capital allowances legislation, solicitors may be exposed to a higher risk profile in relation to the commercial property transactions that they are involved with. Failure to adequately provide for the changes to the rules for claiming capital allowances contained within a second hand building, (as outlined in the Law Society's publication "Capital Allowances: New Pooling Requirement), could result in a client losing significant amounts of tax relief.

From 2012, tax-paying vendors must pool qualifying expenditure in their tax return, and enter into an adequate election on the sale of the property with the purchaser. In addition, replies to Commercial Property Standard Enquiries (CPSE) or other enquiries must be detailed, and specifically address any questions raised around capital allowances. Unfortunately, replying, "the purchaser should make their own enquiries" will no longer be suitable going forward. If the new changes are not incorporated effectively into your checks, could mean tax relief being lost for the purchaser but also an unwelcome balancing charge for the vendor. Thereby, resulting in an additional tax liability, and a possible claim for negligence against the practice.

As we are an independent tax consultancy we are able to offer a wide range of services and fee terms to suit your business needs. We are committed to demonstrating value with a no-surprises cost structure.

At Cavetta Consulting, we can assist law practices to increase the range of expertise that they can offer their clients by providing the following assistance:

- **Advise on the appropriate wording of clauses for inclusion in the contract of sale, and in the agreement for lease where a landlord makes a contribution towards a tenant's fit out costs.**
- **Advise on the implications of particular ownership structures.**
- **Review the capital allowances position before the contract for sale is completed. Ensuring that the vendor completes all the appropriate elections in accordance with the Capital Allowances Act 2001.**
- **Review replies to CPSE or other enquiries, to ensure that the responses provided (or received) are sufficient to ensure that a successful claim for capital allowances can be made going forward.**
- **Providing you with tailored continual professional development events, which will allow you to keep up to date with industry developments.**

At Ċavetta Consulting, our directors have considerable experience of supporting legal practices by providing specialist capital allowances and land remediation relief advice.

Our fee structure is tailored to take account of the tax status of the individual or company and is designed to add value to their business.

We offer free advice to our clients at the pre-planning stage of their development, to make them aware of the benefits that the tax system offers, and no obligation review of completed or potential schemes in order to determine whether a viable claim for property tax relief can be made. allowances when purchasing a property.

If you would like to find out what tax savings you could achieve contact us at

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This briefing is intended to provide an introductory outline to certain aspects of the UK Capital Allowances regime. It should not be used instead of obtaining proper professional advice. The outline is for guidance only and is not an appropriate basis for decision-making.