



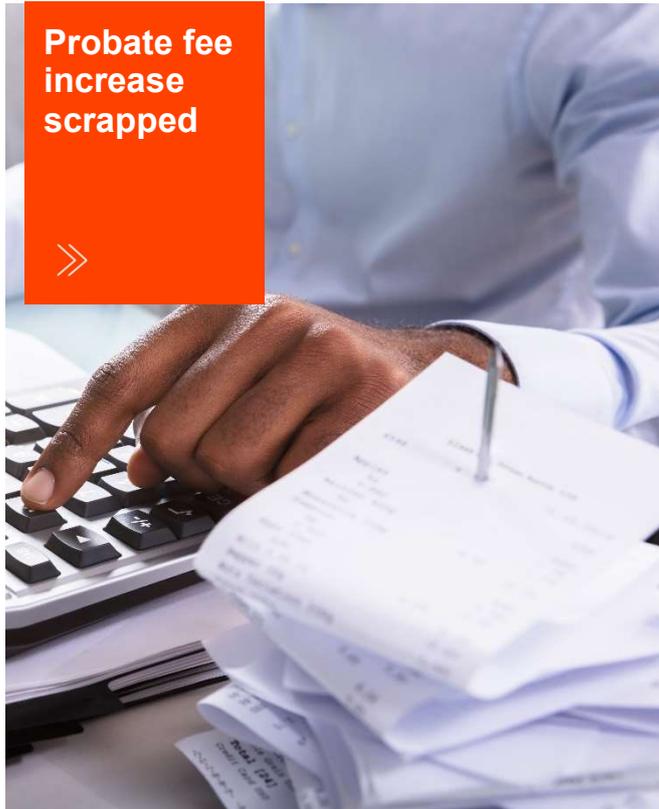
## NEWSLETTER December - January 2020

What to expect in 2020



Welcome to our first bi-monthly newsletter of 2020 – This special edition issue looks at the topics we think will dominate the industry headlines this year. Read on to find out...

### Probate fee increase scrapped



### Fees to obtain a Grant of Probate will remain the same

In 2019, we awaited the news of a dramatic increase to probate fees after an initial announcement by the Ministry of Justice. The plan was to implement a fee structure that would be dependent on the value of the estate. Rather than a fixed fee of £215 for all personal probate applications (and £155 for applications made by professionals), it was proposed that the fee would vary starting from £250 and potentially increasing up to £6,000.

Also, the current estate value threshold was to increase from £5,000 to £50,000.

The new fees were intended to generate £185 million a year to fund improvements to the court system but critics argued that the figures did not reflect the administration costs.

The proposal was scrapped in October 2019 by the Ministry of Justice.

We're continuing to keep an eye on the headlines regarding probate fees as we are not quite convinced that a change is off the table this year.

**Don't hesitate to get in touch if you have questions about probate fees.**

### Capital Gains Tax is changing

Typically, when selling a secondary residence, the property owner would be responsible for paying Capital Gains Tax on any profit gained upon the sale at the end of that tax year. However, changes are coming regarding the thresholds and conditions.

First, the tax-free Private Residence Relief period will likely be decreased from 18 months to 9 months. This means that taxpayers who lived in their property as their main residence at some point can only claim this relief for the period(s) of residence plus the final 9 months of ownership.

Second, up to £40,000 of exemption (£80,000 per couple) is currently available to landlords as Lettings Relief if they've rented out a property that was their main residence at some point. Later this year, this relief may only be available if the landlord shared the property with a tenant during the entire period of letting. This stricter requirement has the potential to significantly impact landlords.

Lastly, Capital Gains Tax will now be due within 30 days of disposal of the property in order to avoid possible interest and/or fees.

The changes are expected to go into effect in April 2020 and are likely to cause an increase in property sales in the coming months so property owners could take advantage of the current rules.

**If you have any questions regarding Capital Gains Tax, contact us using the details overleaf.**

### Changes to Capital Gains Tax



Trusts &  
registration  
with HMRC



## Transposition of the 5<sup>th</sup> Anti-Money Laundering Directive

The first impact to the estate administration industry of the year took place on the 10<sup>th</sup> of January with the transposition of the 5<sup>th</sup> Anti-Money Laundering Directive into UK law.

The directive implements a series of stricter requirements for registering Trusts and Trustees with government bodies, which will result in all Trusts and Trustees being registered with HMRC for clearer identification purposes.

**For more information on the additional work required when a Trust is involved in an estate, don't hesitate to contact us.**

Brexit



## Brexit

We couldn't complete our update of what to expect in 2020 without mentioning Brexit. Although our latest withdrawal deadline is quickly approaching, there are still many unanswered questions about the exact impact of Brexit to the estate administration process and professionals in the industry.

Earlier in 2019, we considered a few areas we predict could be impacted, such as:

- Overseas assets: Specifically, which jurisdictions taxes will apply in, how assets would be protected from being unnecessarily taxed, and who would inherit on intestacy.
- Exchange rates: To maximise the value of an estate, you would want the best return when the proceeds of an asset are repatriated. Brexit could have an impact on the currency market and cause exchange rates to fluctuate, which could present issues when it comes to estate administration.
- Travel limitations: Brexit will likely affect travel between the UK and EU countries. As a result, Executors or Administrators taking the do-it-yourself (DIY) approach on a complex estate administration case that involves work overseas and needs more 90 days in the relevant EU country, they may likely need to apply for a visa.

We continue to follow the progression of Brexit as the 31<sup>st</sup> of January looms closer.

**If you would like to discuss Brexit further, please contact us using the details below.**

Contact us if you have any questions or need further information on probate fees, Capital Gains Tax, Trust registration or the potential effects of Brexit – we're always happy to provide advice and guidance to suit you. Call us on 01304 577998 or email [sara@slswillsandmore.co.uk](mailto:sara@slswillsandmore.co.uk)