

FOR INVESTMENT PROFESSIONALS ONLY

Client who wants an inheritance tax efficient ISA

Case Study

Mark is in his 70s and is single. During his working life he accumulated a stocks & shares ISA worth £200,000. Mark has enjoyed tax-free income and capital gains on the investment through the ISA wrapper but is now starting to think about the potential inheritance tax bill on his estate reducing what will be left to his beneficiaries.

Mark would like to retain control of the assets and does not want to pay an excessive amount to setup any solution. As such, a trust or a life assurance policy would be inappropriate.

FACT!

Like main market stocks, AIM stocks can be held within an ISA and benefit from no CGT or Income tax on growth. However, AIM stocks have the added benefit of qualifying for business relief and avoiding 100% of inheritance tax.

Solution

Mark could make a direct transfer of his existing main market holdings into AIM holdings with Fundamental Asset Management through our AIM IHT ISA portfolio. Mark will retain access and control of his assets and the new AIM investments will continue to be held in an ISA with tax-free income and CGT on growth. However, in addition to this the portfolio should now qualify for 100% IHT relief after 2 years.



The Importance of IHT Planning



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