

Financial services products and solutions

LP2: 2020-2021 edition

Web update 1: 4 August 2020

Please note the following update to your copy of the 2020-2021 edition of the **LP2** study text:

Chapter 1, section C3B, pages 1/17 and 1/18

Please note the following change (amendments in bold):

The Government provides **business asset disposal relief** for chargeable gains on the disposal of certain business assets. It hopes this will encourage new business start-ups, as well as the growth of existing businesses through the reinvestment of capital gains. To qualify for **business asset disposal relief**, the asset must have been held for at least two years prior to disposal.

Business asset disposal relief provides those who dispose of certain business assets with a lifetime limit of **£1,000,000** within which CGT is applied at the lower rate of 10%. Any chargeable gains on certain business assets in excess of the lifetime limit revert to the standard CGT rates of 10% and 20%.

