

The Umbrella Asset Trust (UAT)

To protect your personally owned assets, use the **Umbrella Asset Trust**.

This is a trust that you can use to protect assets you own personally including for example:

- Art, Antiques, Jewellery
- Private Company Shares
- Insurance Policies
- Buy to Let Properties
- Your main residence
- Land
- Cash Deposits
- Commercial Properties
- Other Securities
- Quoted Shares
- Crypto

The assets held within the **Umbrella Asset Trust** are protected from **Income Tax, Capital Gains Tax and Inheritance tax**.

This planning uses statutory reliefs.

- Used successfully since 1994.
- *There is no 'motive' test* often found in tax rules which are designed to prevent tax avoidance. For example, those rules may provide that certain consequences will follow if the sole, main or principal purpose of certain transaction is the reduction of tax.

The assets never physically leave the UK. A Fiduciary Services Agreement with the Trust will enable you to manage the funds in your own UK tax exempt **Personal Management Company**.

Your **Personal Management Company**

Is a simple English incorporated company. Use any available name. You are the shareholder and director. You are the signatory on the UK bank account.

Your PMC:

- can use fiduciary funds to invest and trade in anything
- is exempt from tax on profits and gains
- can lend money to you
- has no value in its shares, so they pass IHT free in your Will.

This gives you tax free wealth: but with personal control.

Fees

- Asset Value (net equity) protected is charged at 10%, as it arises to the trust.
- Trustee Fees are £400 per annum per trust

TECHNICALS

Structure Note

- (1) Client sells beneficial interest in Assets to Company (UAT Co) in exchange for Shares, under a *Business Transfer Agreement*.
- (2) Gain is automatically 'held over' into the Shares: s162 TCGA 1992.
- (3) Any holding of an Asset constitutes a 'business as a going concern.' This has been established over 25 years with HMRC. It is the holding which counts.
- (4) UAT Co gifts Asset (which is now held by UAT Co at market value), to offshore Trust which complies with s239 TCGA 1992.
- (5) That Trust is by definition within s86 IHTA 1984.
- (6) Such transactions – by definition – fall outside Part 7A.
- (7) Trust delegates management of assets to UK PMC.

Shares Note

- (1) The *Business Transfer Agreement* specifies that the shares consideration shall be *such number of £1 Ordinary Shares as represents the market value of the Assets in the accounts of the Company as at the date 6 months from today*.
- (2) By reference to (4) above: that value is – 6 months hence - £nil. By definition.
- (3) Since the client does not control UAT Co (there are many shareholders), that £nil value is not something which the client does or can procure.
- (4) Since the client is a minority shareholder, the *Transfer of Assets Abroad* legislation is not engaged.

IHT & Asset Protection Note

Since £0 of shares is issued to the client under the effect of the *Business Transfer Agreement* terms, no asset of value (representing the former assets) remains in client's IHT estate.

Fiduciary Note

A UK resident fiduciary company is not subject to tax:
CTA 2009

6 Profits accruing in fiduciary or representative capacity

- (1) A company is not chargeable to corporation tax on profits which accrue to it in a fiduciary or representative capacity except as respects its own beneficial interest (if any) in the profits.
- (2) The exception under subsection (1) from chargeability does not apply to profits arising in the winding up of the company.

Tax Note

- (1) All of the above is sophisticated, but not contentious. HMRC has been aware of this Planning for over 25 years.
- (2) HMRC has never suggested that any of this constitutes 'avoidance'. It is using statutory reliefs, in exactly the way intended. The PMC technology transforms the effective client utility of those reliefs. HMRC has equally known of the PMC structure for a quarter of a century. Never once has HMRC sought to challenge any aspect of it. Because there is nothing challenge.