EXIT INDEX

Selling before April 2027: a one-page checklist

Business Asset Disposal Relief's lifetime limit falls from £1m to £500,000 for disposals on or after 6 April 2027. Use this to see where you stand.

1. KNOW WHAT YOU'D ACTUALLY PAY

- [ ] Estimate your likely gain on sale
- [ ] Check your previous BADR claims, as they count towards the lifetime limit
- [ ] Work out the difference: tax at 18% on the first £500k vs the rest at 18% or 24%

2. CHECK YOU STILL QUALIFY

- [ ] Held at least 5% of the ordinary shares and voting rights for two years
- [ ] Been an officer or employee of the company during that time
- [ ] Share rights match what Companies House shows (a recent tribunal case turned on this)

3. BE HONEST ABOUT THE TIMETABLE

- [ ] Do you have heads of terms agreed?
- [ ] Is a buyer committed, or still exploring?
- [ ] Realistic timeline: most sales take 6–12 months from decision to completion
- [ ] Count the weeks left before 6 April 2027

4. PROTECT THE DEAL

- [ ] Don't rush into terms you'd not otherwise accept
- [ ] Check how much is paid at completion, and how much is deferred or in shares
- [ ] Get an adviser to review any earn-out or deferred payment
- [ ] Ask a buyer how they're funded

5. LOOK BEYOND THE DEADLINE

- [ ] Check whether your business qualifies for Founders' Relief (10%, from April 2027, for high-growth firms)
- [ ] If you're not ready, a sale after April 2027 may still be the right decision
- [ ] Decide what you want the business to look like after you've gone

This checklist gives general information only. It isn't financial, legal or tax advice. Speak to a qualified adviser about your own circumstances.