



## **ATED Returns - a 6 Point Action Plan**

03 September 2013

Private Client partner Robert Brodrick and Private Client Partner Frederick Bjørn set out the next steps

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### **Annual Tax on Enveloped Dwellings – a 6 point action plan**

The Annual Tax on Enveloped Dwellings ("ATED") was introduced on 1 April 2013 and is now in full effect. This October sees both the first reporting date and the first payment date, so now is a good time to take stock and consider what you need to do in relation to any company that owns UK residential property that is within the ATED charge.

#### **1. Does your company come within the ATED?**

The ATED affects any company or 'non-natural person' that owns residential property worth over £2 million, unless one of the exemptions applies. If you are unsure you may like to consider our briefing note on the new rules or you may prefer to contact us directly.

More information

#### **2. Has your property been valued to reflect its value at 1 April 2012?**

If not, you should seek a valuation as soon as possible. This only needs to be an informal valuation, although inevitably the more comprehensive the valuation the more robust it will be if it has to be relied upon in a dispute with HM Revenue & Customs ("HMRC")

#### **3. Was the property's value close to one of the band thresholds?**

If a property's value comes within 10% of a banding threshold, the property may be eligible for HMRC's pre-return banding check. The lead time for this can be up to 30 days so if this has not already been done, a pre-return banding check should now be requested as a priority.

#### **4. Do any of the reliefs from the ATED apply?**

The reliefs can be complicated and it is important to ensure that you satisfy all the conditions to avoid unexpected charges and penalties. HMRC have recently published guidance. There are important reliefs for properties that are let on a commercial basis, and for property development companies. If in doubt, you should take professional advice.

## 5. Do you have to submit a return?

If you come within the ATED the answer is yes, regardless of whether any reliefs apply, as all reliefs must be claimed by submitting a return.

The first return must be submitted by 1 October 2013 and all future returns must be made by 30 April of the tax year in question.

## 6. When does payment have to be made?

For the tax year 2013/14 only, payment must be made by 31 October 2013. For all future years it must be made at the same time as the return is submitted (i.e. 30 April).

If you own or occupy a property that you think may be subject to the ATED and you would like advice, we would be happy to review the structure and advise whether any of the ATED reliefs might apply. We have extensive experience in advising on both UK and cross border tax and estate planning for high net worth individuals, their family offices and trustees.

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In the event that you do not have a usual private client advisor at Payne Hicks Beach please contact the authors Robert Brodrick (rbrodrick@phb.co.uk) or Frederick Bjørn (fbjorn@phb.co.uk).

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