



## Separation, divorce and CGT

If assets are transferred between partners there may be CGT to pay, this depends on whether the transfer takes place:

- in the tax year of separation
- in the tax year after separation
- after the divorce

### Transfers in the tax year of separation

If assets are transferred in the year of separation, you don't pay CGT if both of the following apply:

- you've lived together for at least part of that tax year
- the gift isn't 'trading stock' (trading goods bought for resale)

However, if/when the asset is later disposed of, tax will be payable on any gain made over the total period of ownership (both parties together).

### Transfers in the tax year after separation

If assets are transferred in the tax year after you've separated, there will be a capital gain/loss if all of the following apply:

- transfer any asset other than main residence
- have been permanently separated for the whole of the tax year
- are not divorced

The asset will need to be valued on the date of the transfer. This valuation becomes the 'proceeds'.

For further information please contact us on 0845 872 6484 or email:  
[expert@primeforensic.co.uk](mailto:expert@primeforensic.co.uk)