

Capital Gains Tax on share disposals

Our information shows that you disposed of your shares in [\[company names from data file\]](#) in [\[date from data file\]](#). You may have to pay Capital Gains Tax (CGT) on this disposal of shares.

We're writing to you because you don't appear to have included this disposal on your Self Assessment (SA) tax return for the [\[tax year from data file\]](#) tax year. You are now out of time to amend your SA tax return.

Definition of a 'disposal'

You make a disposal when you:

- sell shares for cash
- exchange shares in one company for shares in another company
- give shares away

Do you have to pay CGT

You must pay CGT if your total chargeable gains from all disposals in a tax year are over the annual exempt amount. For the [\[tax year from data file\]](#) tax year, this was [\[amount from data file\]](#).

Your 'total chargeable gain' is normally the difference between what you paid for the shares and what you sold them for.

If you exchange shares for shares in another company, special rules may apply. To find out more, go to GOV.UK and search 'Share reorganisations'.

If you give or gave certain shares away, you may be able to claim relief. This means the person you give them to pays any CGT due when the shares are eventually sold. To find out more, go to GOV.UK and search 'Gift Hold-Over Relief'.

If you make or made a loss, you may be able to use this to reduce the CGT due on other gains.

What you need to do now

If you've disposed of any shares in the [\[tax year from data file\]](#) tax year, please check whether any CGT is due.

If any CGT is now due, then you are out of time to amend your return. To amend your return, we will need to raise an assessment. To enable us to raise an assessment you need to send us (all of the following):

- the disposal proceeds received
- acquisition costs
- the amount of CGT you believe you owe
- details of why you omitted the gain

Please send us this information within 60 days of the date of the letter. Our address is at the top of this letter. If you do not, we may open a compliance check.

If you're satisfied that you don't have any CGT to pay, please write and tell us. In your letter you must explain why CGT gains are not on due the disposal of shares in [\[company name from data file\]](#). Our address is at the top of this letter.

If you have agent, we have sent them a copy of this letter. If you don't have an agent, you may wish to seek professional advice.

What happens next

If additional CGT is due, we will raise an assessment and send you details of the additional amounts you owe. We'll charge interest on any tax that's paid late. For more information, go to GOV.UK and search 'Pay Self Assessment tax bill'.

We will also consider 'behavioural penalties'. For more information on penalties, go to GOV.UK and search 'CC/FS7a'.

Help and advice

The following guidance may help you. Go to GOV.UK and search:

- 'Capital Gains Tax'
- 'Tax when you sell shares'
- 'Shares and Capital Gains Tax (2021)'

If you still have questions after reading the guidance, you can:

- phone us on 0300 057 9222 between 9am and 5pm, Monday to Friday - this line will close one month from the date of this letter
- email us at responseteam6@hmrc.gov.uk - before you contact us by email, please read the enclosed factsheet 'Corresponding with HMRC by email'

Please note that we cannot amend your tax return over the phone or help you work out if you owe CGT.

For more information about how to fill in your tax return correctly, go to GOV.UK and search 'Self Assessment tax returns'.

You can get help from HMRC if you need extra support, for example if you need information in a different format or need help filling in forms. Go to GOV.UK and search 'Get help from HMRC if you need extra support'.

If you contact us, we can deal with you more quickly if you quote our reference number and provide a daytime phone number.

Yours sincerely

Wealthy and Midsized Business

Join the millions of taxpayers already using their Personal Tax Account to access a range of services. It takes just a few minutes to get started, go to www.gov.uk/personal-tax-account Or you can use the HMRC app.

To find out about the service and standard of behaviour you can expect from us, go to www.gov.uk and search 'HMRC Charter'.



Corresponding with HMRC by email

Use the following information to decide whether you want to deal with us by email. We take the security of personal information very seriously. Email is not secure, so it's very important that you understand the risks before you email us. We will not deal with you by email unless you tell us you accept the risks of doing so.

About the risks

The main risks associated with using email that concern HMRC are:

- confidentiality and privacy – there's a risk that emails sent over the internet may be intercepted
- confirming your identity – it's crucial that we only communicate with established contacts at their correct email addresses
- there's no guarantee that an email received over an insecure network, like the internet, has not been altered during transit
- attachments could contain a virus or malicious code

How we can reduce the risks

We'll desensitise information, for example by only quoting part of any unique reference numbers. We can also use encryption. We're happy to discuss how you may do the same but still give the information we need.

If you do not want to use email

You may prefer that we do not respond by email, for example because other people have access to your email account. If so, we're happy to respond by another method. We'll agree this with you either by telephone or in writing via post.

If you do want to use email

If you would like to use email as one of the ways HMRC will contact you, we'll need you to confirm in writing by post or email:

- that you understand and accept the risks of using email
- that you're content for financial information to be sent by email
- that attachments can be used

If you are the authorised agent or representative we'll need you to confirm in writing by post or email that your client understands and accepts the risks.

Please also:

- send us the names and email addresses of all people you would like us to use email with - you, your staff, your representative, your agent, for example
- confirm you have ensured that your junk mail filters are not set to reject and/or automatically delete HMRC emails

How we use your agreement

Your confirmation will be held on file and will apply to future email correspondence. We'll review the agreement at regular intervals to make sure there are no changes.

Opting out

You may opt out of using email at any time by letting us know.

More information

You can find more information on HMRC's privacy policy. Go to www.gov.uk and search for 'HMRC Privacy Notice'.