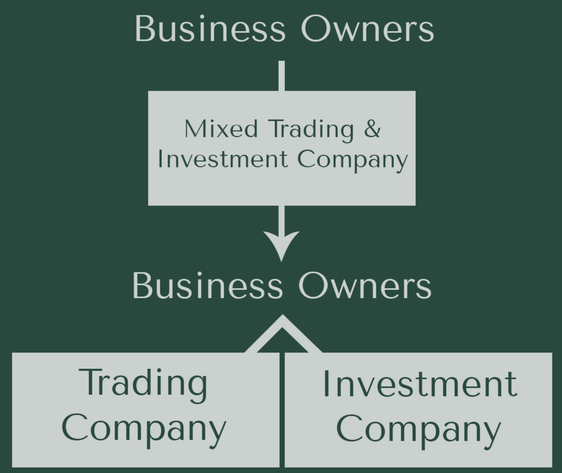
Demerger and Partition

The rise in popularity of the Capital Reduction Demerger ("CRD") over the last 15 years now puts it top of the list when considering how best to "break-up" a business. Whether individual trading divisions need separating prior to a sale, or if an investment business needs partitioning from the main trade to protect valuable trade reliefs, the CRD is often our weapon of choice.

Implementing a Demerger or Partition can lead to optimum ownership structure and reduced tax exposure for business owners.



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1. Intelligent partition can be a powerful means to solve thorny problems, and it can do so at the lowest possible taxation cost, often with significant additional benefits (tax and otherwise).

2. Undertaking both trade and investment business within the same company can cause both commercial and tax issues for the owners.

3. Separating trade and investment activities can protect, or secure, Capital Gains Tax and Inheritance Tax reliefs only afforded to owners of trading businesses.

4. A partition of commercial assets/undertakings can be used to achieve asset protection, separately incentivised ownership/management, or a proposed partial sale.

