

Inheritance Tax Succession Planning Guidance

We're here to support the
continuation of your business



**BANK OF
SCOTLAND**

What's changing?

From April 2026, the government will cap Agricultural Property Relief and Business Property Relief at £1 million for each individual.

Qualifying assets above this threshold will receive 50% relief, resulting in an effective Inheritance Tax charge of up to 20%.

If you're a farmer or landowner affected by these changes to property relief, you may want to review your succession plans now. This will help protect your farms and businesses for future generations.

Actions for farmers and landowners now

1. Speak to your Relationship Manager to understand the steps to carry out your succession plans.
2. Engage professional advisers to support your planning arrangements. These include solicitors, accountants and land agents, who can give you bespoke advice.

Support available

From Bank of Scotland

- Amend borrower or security ownership.
- Security release or substitution.
- Guidance on Life cover and Pensions.

Bank of Scotland support will need credit approval and may involve fees. Changes will depend on various factors. These factors include 'Loan to Value' borrowing and security, providing evidence of ongoing affordability for the borrowing, and obtaining independent legal advice for the new borrowers.

Professional support

- Asset ownership and fact find - identify any charges and restrictions.
- Asset valuation - up to date values of land, property and business assets.
- Estimate potential Inheritance Tax liability - to support financial planning.
- Tax planning - inheritance, capital gains, stamp duty and personal considerations.
- Review business structure - identify and carry out changes needed.
- Documentation support - wills, shareholder agreements, asset protection etc.
- Guidance on lifetime gifting - understand the effect and identify assets to gift.
- Financial planning - budgets for restructured entities.



How to make changes

If you want to make changes to an existing legal entity

If you want to add or change the owners of your business, we'll need two main things from you:

- Confirmation of the new ownership of the legal entity, including a list of shareholding changes.
- Personal details for any new individuals. This includes their full name, date of birth, residential address, and nationality.

How to give us this information

Confirmation of ownership

We'll need verified confirmation of the new ownership information. Some typical examples of acceptable evidence include:

- For **Private Limited Companies**, we can use information from Companies House if you've updated it to reflect the new ownership. We can accept a signed letter from a solicitor or an accountant. The letter must be addressed to us and must come from someone registered with a recognised professional body.
- For **Partnerships/Scottish Partnerships** we would need the relevant extract from the partnership agreement.
- For **Trusts**, we can accept an extract from the Trust Deed, or you can complete a copy of our '**Legal Confirmation of the Trust Deed**' form, and have it signed by a solicitor or accountant.

Supplying personal details for new individuals

You can provide this information by completing our '**Associated Party form**'. The form also includes details of acceptable sources of verification should we need it and recognised professional bodies.



If you want to set up a new legal entity

If you're establishing a new legal entity due to the Agricultural Property Relief and Business Property Relief changes, we'll need to open a new account for that entity. This makes sure that we have captured all necessary regulatory requirements.

The exact requirements for opening a new account will vary based on the entity type. Our account opening team will work with you and your Relationship Manager. Together, they'll guide you through the process.

Next Steps

To proceed with any of the options outlined or to discuss any other types of change, please call our helpdesk or contact your Relationship Manager.

Business help and support

We aim to provide you with a high level of service. If you have a query our Help & Support pages can help: business.bankofscotland.co.uk/help

Please contact us if you would like this information in an alternative format such as braille, large print or audio.

Bank of Scotland plc. Registered Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. SC327000. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 169628.

Eligible deposits with us are protected by the Financial Services Compensation Scheme (FSCS). We are covered by the Financial Ombudsman Service (FOS). Please note that due to FSCS and FOS eligibility criteria not all business customers will be covered.

Lloyds Banking Group is a financial services group that incorporates a number of brands including Lloyds Bank and Bank of Scotland. More information on Lloyds Banking Group can be found at lloydsbankinggroup.com.

1/4500711-2 (10/25)



**BANK OF
SCOTLAND**