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Chartered Accountants and Tax Advisers  
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## Annual Tax on Enveloped Dwellings (“ATED”)

Residential properties with values exceeding £500,000 held by non-natural entities (i.e. companies, LLPs, Trusts etc.) are subject to ATED.

The £500,000 threshold is based on market value therefore property portfolios should be reviewed regularly.

Purchases of ATED properties must be reported to HMRC within 30 days of purchase.

Returns covering the period 1 April 2021 – 31 March 2022 are to be submitted to HMRC by 30 April 2020.

There are a number of reliefs available, for example if a property is being developed for re-sale or if it is generating rental income. If a property qualifies for a relief a return must still be submitted to HMRC even though no tax is due.

HMRC have been tackling the application of the reliefs and a number of cases have been taken to the Courts. As a result some companies have been denied relief so it is important to review whether your situation is a qualifying activity.

This newsletter is written for general interest only and is not a substitute for consulting the relevant legislation or taking professional advice. The authors and the firm cannot accept any responsibility for loss arising from any person acting or refraining from acting on the basis of the material included herein.

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