

## AUTUMN STATEMENT PREDICTIONS



2025



**BLACKTOWER**  
FINANCIAL MANAGEMENT GROUP

# What High-Net-Worth Individuals Need to Do Now

The upcoming Autumn Statement is shaping up to be one of the most consequential in recent memory for High-Net-Worth Individuals (HNWIs). With a government under pressure to raise revenue while closing perceived loopholes, wealth holders are firmly in the spotlight. Proposed reforms across inheritance tax, capital gains, property taxation, and the treatment of non-doms signal a profound shift in the UK's approach to wealth and succession.

For HNWIs, Early review of structures and strategies may help mitigate exposure to potential tax changes. You may wish to consider reviewing before announcements become law—can make the difference between preserving wealth across generations and facing a punitive tax bill.

## The Direction of Travel: A More Aggressive Tax Landscape

Several key themes are already clear from policy papers, leaks, and ministerial statements:

### 1. Inheritance Tax (IHT) tightening

- Non-dom reforms from April 2025 already bring global assets into the UK tax net.
- From April 2026, Business Property Relief (BPR) and Agricultural Property Relief (APR)—longstanding tools for estate planning—may be capped at 1 million, with relief above that restricted to 50%. This could expose large estates to 40% IHT on previously sheltered assets.

### 2. Capital Gains and Dividend Tax alignment.

- CGT is already closer to income tax rates (18% basic, 24% higher). Further hikes or alignment with full income tax rates (20%/40%/45%) remain possible.
- Carried interest—critical to private equity and hedge fund professionals—faces reclassification as CGT rather than income, raising tax costs substantially.

### **3. Wealth and Property Tax debates**

- Proposals under discussion include:
  - Higher council tax bands for luxury homes.
  - Annual property levies replacing stamp duty.
  - Capital Gains Tax on primary residences above a high-value threshold.
- While politically sensitive, these ideas are gaining traction as the government looks for “fair” revenue sources.

### **4. Pension reforms**

- The Treasury is eyeing tax-free lump sum caps and flat-rate pension relief as ways to restrict benefits disproportionately enjoyed by higher earners.
- Inheritance tax treatment of pension funds is also under review, particularly after 2027 changes bring more pension wealth into the estate for IHT purposes.

### **5. Fiscal drag**

- Frozen income tax and capital allowances mean more HNWIs are pulled into higher tax brackets without headline rate increases—a stealth tax rise already in motion.

## **Action Points for HNWIs Ahead of the Autumn Statement**

### **1. Review Your Estate and Succession Plans**

- Check whether your estate planning is over-reliant on BPR and APR. With relief caps looming, the tax cost of succession could rise dramatically.
- Consider lifetime gifting strategies and alternative structures that may remain efficient under the new regime.

### **2. Assess Trusts and Non-Dom Structures**

- If you are currently a non-dom, review whether trusts are still effective under the new rules. From April 2025, many previously excluded assets will be caught by IHT.
- Evaluate residency options, including relocation to more favourable jurisdictions, if maintaining UK residence is no longer efficient.



### 3. Accelerate Capital Gains Realisation

- If you are planning disposals, doing so under the current 24% top rate may prove significantly cheaper than after the Budget.
- For business owners, consider whether an early sale or restructuring can lock in today's rates.

### 4. Optimise Pension Strategies

- Explore drawing lump sums before new caps are introduced.
- Re-evaluate contributions in light of potential moves to flat-rate relief, which may reduce tax efficiency for higher earners.

### 5. Diversify Geographically

- The UK is forecast to lose over 16,000 millionaires in 2025 as global mobility increases. For some, relocation to jurisdictions such as Portugal, Spain, Malta, or Gibraltar—offering favourable residency schemes—remains an option.
- Even for those staying UK-resident, diversifying asset location can provide resilience against domestic tax risk.

### 6. Prepare Liquidity for Potential Wealth or Property Taxes

- If new annual levies or CGT charges on main residences emerge, ensure liquidity planning is in place to cover tax liabilities without forced asset sales.

## The Cost of Inaction

Consider two simplified examples:

- **Business Relief Impact**

An entrepreneur with a 5 million business currently passes it free of IHT. Under proposed changes, only 1 million may be fully relieved, with 50% relief on the next 4 million. That leaves 2 million exposed to IHT, generating an 800,000 tax liability on death.



- **Capital Gains Timing**

An HNWI selling a property with a 3 million gain today pays 720,000 at 24%. If rates rise to 40% in line with income tax, the liability jumps to 1.2 million—a half-million difference. These are not minor differences—they represent meaningful financial exposure

## **A Narrow Window of Opportunity**

The Autumn Statement is expected in late October or early November 2025. Once changes are announced, many may take effect immediately or from the start of the next tax year in April 2026—leaving limited time to respond.

Wealth holders who proactively review their structures, assess potential disposals, and explore cross-border planning options may be better positioned to adapt. Taking early action helps maintain flexibility and control. In contrast, delaying decisions could result in reduced options and exposure to new tax rules without the ability to restructure effectively.

## **Conclusion: Secure First-Mover Advantage**

For HNWIs, the Autumn Statement is not just another fiscal event—it is a watershed moment in the UK's approach to wealth. The government has made clear that those with the broadest shoulders will bear more of the tax burden.

But with foresight, agility, and professional advice, there is still time to prepare. Whether through restructuring estates, accelerating gains, or diversifying residency, the right moves made today may shield family wealth against future tax changes.

Waiting until the Chancellor delivers the Statement may leave little room to manoeuvre. Early engagement is key.

## Summary of Proposed Changes

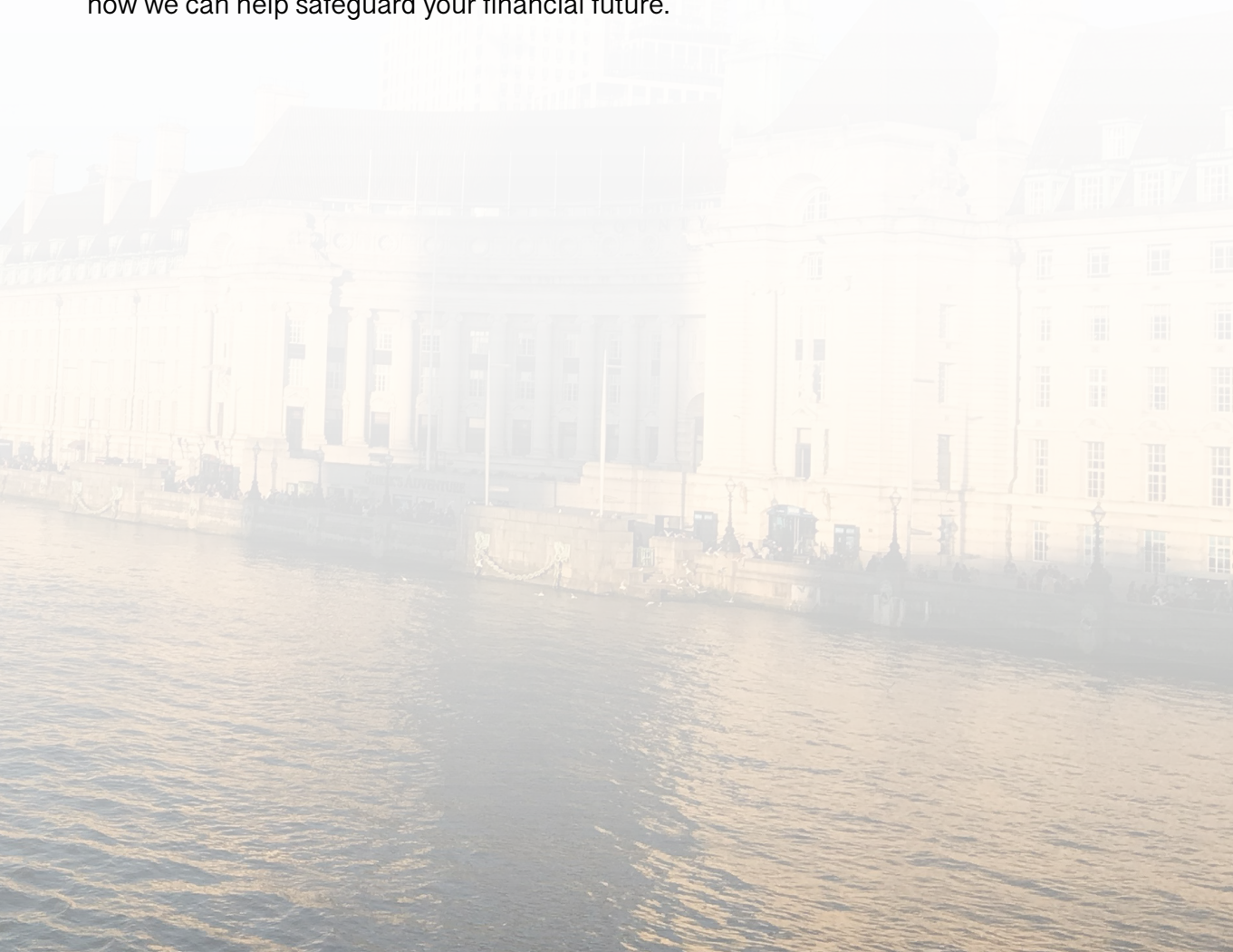
Risk Area	Proposed Change	Potential Action
Inheritance Tax & Relief Caps	Tighter IHT, non-dom overhaul, BPR/APR caps	Review wills, trusts, business/capital planning
CGT & Carry Interest	Higher CGT, carried interest reforms	Consider early disposals, restructure incentive plans
Wealth/Property Tax	New levies/council bands/primary CGT	Reassess property holdings, tax residency strategies
Pension Freedoms & Relief	Lump sum limits, flat relief	Pre-access pension strategies
Fiscal Drag	Threshold freezes	Forecast tax brackets, adjust income planning
Residency Risk	Tax-exit responses	Evaluate domicile/residency and global diversification

## Next Steps

If you are a High-Net-Worth Individual concerned about the Autumn Statement, seek professional advice. Developing a tailored wealth strategy that aligns with your global footprint and family objectives is a key component in building financial resilience—especially in an era of rising taxation and regulatory complexity.

At Blacktower, we specialise in helping High-Net-Worth Individuals structure, protect, and grow their wealth across borders. If you are concerned about the impact of the Autumn Statement on your financial plans, now is the time to review your strategy.

Contact Blacktower today to speak with one of our experienced wealth managers about how we can help safeguard your financial future.





# Our Heritage Protects Your Horizon



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