

UK BUDGET

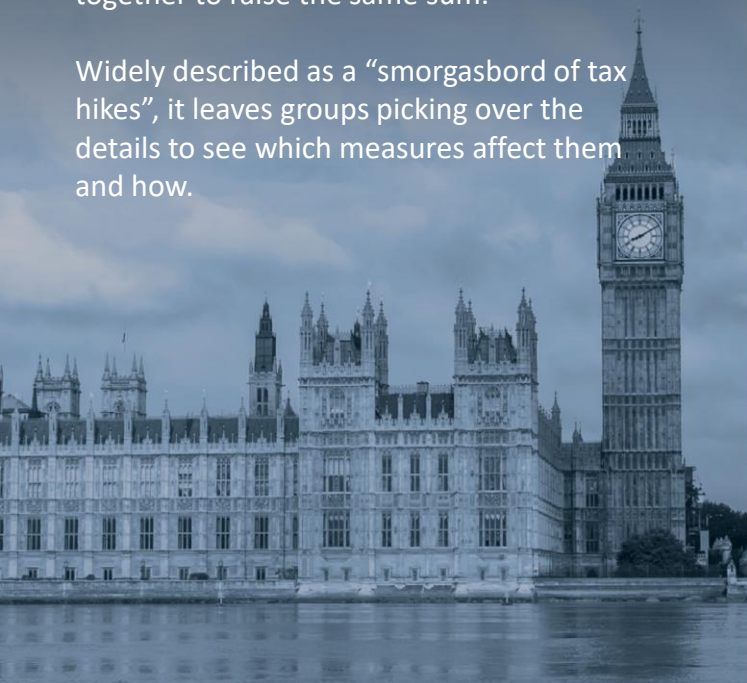
November 2025

SUMMARY

Despite stating last year that “This is not the sort of Budget we would want to repeat”, the Chancellor of the Exchequer has delivered a Budget with a continued emphasis on tax increases and limited new incentives.

Last time, employers’ NICs were increased to raise £26bn a year. This time, it is dozens of small changes which come together to raise the same sum.

Widely described as a “smorgasbord of tax hikes”, it leaves groups picking over the details to see which measures affect them and how.



UK BUDGET – KEY TAKEAWAYS

As expected, the Autumn Budget did not change the main rate of corporation tax which stays at 25%. So what has changed?

- 1 Capital allowances (tax depreciation for plant and machinery):** for companies investing in second-hand equipment, the rate will fall from 18% to 14%. For lessors, a 40% first year allowance will apply on new equipment (but not the 100% allowance initially anticipated).
- 2 Transfer pricing:** good news, we are going back to 2004 with the repeal of UK-UK transfer pricing. The bad news is the requirement to report cross-border related party transactions to HMRC with a threshold set at just £1 million.
- 3 Stamp duty on shares:** the Government has acknowledged that stamp duty on shares results in lower valuations and liquidity for listed companies. It cannot afford to scrap it entirely, but companies newly listed on a UK regulated market get a three-year stamp duty holiday, just not on a takeover.
- 4 Advance tax certainty service:** designed to provide tax certainty on major investment projects, it sounds good until you hit the fine print. You need to invest at least £1bn and it will not cover the two biggest uncertainties - whether finance expense falls foul of the “unallowable purpose” rule and is non-tax deductible, and transfer pricing/valuations.
- 5 VAT:** the tax courts held that Bolt (and, by implication, Uber) were right only to charge VAT on their margin, not the full fare a rider pays. That will now change.
- 6 Customs duties:** low value import relief, which allows goods worth £135 or less to be shipped into the UK free of customs duty is going, but potentially not until March 2029 when the details have been finalised.
- 7 Gambling duties:** remote betting duty (except on horses) is going from 15% to 25%, and remote gaming duty (think online casino) is increasing from 21% to 40%. Going the other way is bingo duty which is being scrapped entirely. House!

GET IN TOUCH

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