

46. Three retail clients hold the following investments

Name	Type	Purchase price	Current value
Jack	Onshore bond	£50,000	£100,000
Dorothy	Offshore bond	£100,000	£50,000
Stephen	Unit trust	£50,000	£100,000

They should be aware that if they were all to fully encash their investments,

A. Stephen would benefit from taper relief.

B. Dorothy can carry forward her capital loss indefinitely.

C. if Jack is a higher-rate taxpayer, he will pay 40% Income Tax on the gain.

D. if Stephen is a higher-rate taxpayer, he will pay 24% Capital Gains Tax on the gain.

Key option: D

Learning outcome: 6.2