

2010 Budget Snapshot

Business lending commitments

Royal Bank of Scotland (RBS) and Lloyds Banking Group (LBG) have agreed new, legally binding lending commitments for the 12 months from March 2010. LBG have agreed to £44 billion of additional business lending and RBS to £50 billion. Both banks have also agreed to a new customer charter for lending to SMEs, which includes a commitment to a 1.5% arrangement fee cap.

Annual Investment Allowance

The Annual Investment Allowance for purchasing plant and machinery has been doubled from £50,000 to £100,000 from April 2010.

Increases to VAT registration and deregistration thresholds

The following increases in the VAT registration and deregistration thresholds came into effect on 1 April 2010:

- The taxable turnover registration threshold (which triggers the obligation to register for VAT) will increase from £68,000 to £70,000.
- The taxable turnover deregistration threshold (which triggers the right to apply for deregistration) will increase from £66,000 to £68,000.

Small business rate relief

There will be a temporary increase in the level of small business rate relief in England, so that eligible small businesses occupying properties with rateable values up to **£6,000** will pay no business rates for one year from **October 2010**. Small businesses that benefit from the rate relief taper (that is, rateable values up to **£12,000**) will be entitled to significant reductions.

Entrepreneurs' relief

The lifetime limit for entrepreneurs' relief has been doubled from £1 million to £2million. Entrepreneurs' relief is a relief from capital gains tax which can be claimed on gains arising from disposals of businesses, shares in personal companies and associated business assets.

Empty Property relief

Empty commercial properties with rateable values of up to **£18,000** will continue to be exempt from business rates.

For further information please contact Shainul Kassam at skassam@fortunelaw.com, or telephone us at **0207 440 2540** or visit our website <http://www.fortunelaw.com>.