



Business sale checklist

Selling all or part of your business can be an exciting yet stressful time. There are many things to consider. To help you make the best decision, we have put together a checklist for you to refer to when choosing a purchaser. It considers three main areas:

Capital payment

Client focus

Adviser protection

Capital payment

▶ Taxation treatment – Taxed as income? Is entrepreneurs relief applicable? When is tax due? how might HMRC treat me passing on any sale value to others in my firm?	<input checked="" type="checkbox"/>
▶ Specifics of purchase – What are they buying? The asset, the firm, the income, the liability?	<input checked="" type="checkbox"/>
▶ Timing – When are payments be paid into my account? How long is the lag between ‘cut off / sample dates’ and payment?	<input checked="" type="checkbox"/>
▶ Satisfying rules – What criteria might impact the amount paid initially and any subsequent payments? What ability do I have to protect and enhance any sale value post joining / sale?	<input checked="" type="checkbox"/>
▶ Existing staff – What happens to existing support staff / employees and any TUPE / redundancy implications? Who is responsible for dealing with issues?	<input checked="" type="checkbox"/>
▶ Liability – What ongoing liability and fees do I need to factor in regarding liability for advice given to date?	<input checked="" type="checkbox"/>
▶ Testimonials – Who can I talk to who had a business like mine and sold? So I can better understand what the experience was like for them?	<input checked="" type="checkbox"/>
▶ Client impact – If my clients do not accept the new buyer’s model, what am I expected to do, and what are the impacts to my payment?	<input checked="" type="checkbox"/>

For financial advisers only

Client focus

▶ Platform and fund fees – How might these charges alter for my existing clients?	<input checked="" type="checkbox"/>
▶ Initial and on-going fees – What will apply to new and existing clients? Is there flexibility?	<input checked="" type="checkbox"/>
▶ Overall TCO – What is the typical overall TCO for clients moving over?	<input checked="" type="checkbox"/>
▶ Service method – Who will be engaging with the clients going forward and what method will be used (phone, digital, in person)?	<input checked="" type="checkbox"/>
▶ Implicit fee – What early redemption / implicit fees or charges apply for ‘early encashment’ for a client under the buyer’s offering?	<input checked="" type="checkbox"/>
▶ Classification of advice – Classification of advice - Is it an advised or ‘direct to consumer’ offer (as client choice and protection levels will vary)?	<input checked="" type="checkbox"/>
▶ Track record – What is the buyers track record of delivering in line with client expectation and risk profile?	<input checked="" type="checkbox"/>
▶ Expectations – What expectation is there for clients to adopt ‘own funds / own platform / own solutions’? What is the impact for not achieving this?	<input checked="" type="checkbox"/>
▶ Existing solutions – What happens to clients where existing assets are not aligned to the buyer’s proposition – and how will they be looked after going forward?	<input checked="" type="checkbox"/>
▶ Oversight – What governance is there for the investment solutions?	<input checked="" type="checkbox"/>
▶ Advice areas – Can I advise on all advice areas, for example mortgages?	<input checked="" type="checkbox"/>
▶ Introducers – Might there be any impact on professional connections / introducers?	<input checked="" type="checkbox"/>
▶ Brand – Any impact to clients if there is to be a change of brand, especially if the buyer is a larger organisation?	<input checked="" type="checkbox"/>

Adviser protection

▶ Past liability – Where does previous advice liability lie?	<input checked="" type="checkbox"/>
▶ Future liability – Where does this lie, what are the excesses and caps that apply?	<input checked="" type="checkbox"/>
▶ PI – Premium, excess levels and capped amounts – what applies to different advice areas?	<input checked="" type="checkbox"/>
▶ FCA/ FSCS levies – How are they accounted for?	<input checked="" type="checkbox"/>
▶ DB business authorisation – Liabilities and income situation when referred onwards or advised upon directly by me	<input checked="" type="checkbox"/>
▶ Tenure – What is the average tenure of advisers like me who have already sold to the buyer?	<input checked="" type="checkbox"/>
▶ Training and development – What is provided and are any fees applicable?	<input checked="" type="checkbox"/>
▶ Income – Of £100 of gross income, how much can I expect to retain at the end of a 12-month period, factoring in all explicit and implicit fees?	<input checked="" type="checkbox"/>
▶ Client ownership – Who ‘owns’ new clients going forward?	<input checked="" type="checkbox"/>
▶ Role clarity – Expectations of my role post completion and any interim time periods this applies to for sale	<input checked="" type="checkbox"/>
▶ Servicing expectation – If I remain advising, how will the servicing of the clients I have ‘sold’ involve me? How is new business treated from them?	<input checked="" type="checkbox"/>
▶ Covenant / restrictions – What might apply to any of my existing clients	<input checked="" type="checkbox"/>
▶ Operating model – If it is a larger sized ‘buyer’ am I clear what model I would be operating under within them?	<input checked="" type="checkbox"/>
▶ Novation – What novation and due diligence is done for each client transferring across and what is the buyer’s and seller’s role in this, for example GDPR?	<input checked="" type="checkbox"/>