

Title:

Do I Buy The Assets Or The Shares In The Company I Want To Buy (^The Target~)

Word Count:

824

Summary:

Practical and legal tips about whether to buy a company's shares or its assets when buying a b

Keywords:

Company purchase, company sale, business purchase, asset sale, asset purchase, share sale, sha

Article Body:

When you are looking at a company or business purchase, for a buyer the answer will usually be

Legal Effect

Where a buyer acquires shares in the Target, the accrued liabilities of the Target remain in t

Consideration

With company sales (share sales), the purchase monies go into the hands of the individual shar

Title

Where a share sale takes place then all the assets owned by the company remain with the compan

Employees

If the buyer wishes to carry on the business in succession to the seller, then as a matter of

If an asset sale is taking place with no intention to carry on the business then this situatio

Tax

Stamp duty

Duty payable on share transfers is currently 0.5%. Duty payable on the transfer of certain ass

Capital Gains Tax ~ Share Sale By Individual Shareholders

The issue to bear in mind here is that the seller receives the consideration directly for her

For sellers the biggest tax benefit they have is likely to be the dramatic effect of taper rel

Corporation Tax ~ Asset Sale By Company

There are two tax points where the company sells its assets. Firstly the company may suffer a

Financial Assistance

A company may not give direct or indirect financial assistance to a person acquiring the share

The rules on financial assistance do not apply to asset sales.

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