

PRESS RELEASE

16 September 2021

Thorntons Investments leads the way by removing VAT from AIM portfolios

Thorntons Investments, the Dundee headquartered wealth manager, has removed VAT from its AIM Inheritance Tax and Managed Portfolio Service (MPS).

While numerous firms have omitted VAT from their MPS proposition as a result of a recent industry review from HMRC, Thorntons Investments is among the first managers to extend such changes to its AIM model portfolio.

The move means that all clients invested in any of the firm's model portfolios will no longer incur a charge for VAT. As a result, the average investor at Thorntons Investments with a £200,000 AIM portfolio will be better off by £2,000 over a five-year period.

The changes came into effect on 1 July and apply to both new and existing clients.

Since 1995, the Alternative Investment Market (AIM) has offered an efficient way for people to obtain inheritance tax relief on investments held for at least two years, allowing beneficiaries to inherit more of their wealth.

The market has grown in popularity over the past few years as a result of these tax benefits and, more recently, increased availability on platforms.

David Holmes, Head of Business Development at Thorntons Investments, commented: "Removing VAT from our MPS felt like a natural step that we were always planning to take, but given how core AIM is to our proposition, we were keen to ascertain if it should be removed from this model too."

Thorntons Investments has been investing in AIM companies since 2006. Investors can only access the model, on a platform, via a qualified financial adviser, to ensure they fully understand the benefits and risks of AIM as part of their estate planning.

Holmes continued: "AIM continues to be a global success story in Britain, benefitting promising smaller businesses and investors alike. Having maintained a close dialogue with HMRC and other specialist advisers, we now know that removing VAT is the best thing for those invested in our services.

Holmes acknowledged that the process was not without its challenges, owing to a lack of guidance surrounding VAT specifically in the context of AIM.

"As platform availability continues to open up, we hope to see HMRC issuing more definitive guidance around the treatment of VAT when it comes to AIM, in turn encouraging others to follow suit. This, we hope, will mean more people can cost-effectively take advantage of AIM as part of their inheritance tax planning."

Thorntons Investments AIM model portfolio is currently available on the Standard Life Wrap, Ascentric, FundsNetwork, Transact, 7IM, Nucleus and Embark platforms. Its range of risk targeted model portfolios is available on Standard Life Wrap, Nucleus, Novia, Embark, Embark Advance, Ascentric, Transact, FundsNetwork and 7IM.

Further background on performance and charges for both can be found on [Thorntons Investments' website](#), which recently underwent a series of enhancements.

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Notes to editors

Thorntons Investments is a highly experienced wealth management company headquartered in Dundee and trusted by clients throughout the UK to help them build a sound financial future.

It seeks to deliver results through its calm and considered approach to investment, offering discretionary management services to both financial advisers and their clients, and including a range of risk targeted model portfolios and an AIM Inheritance Tax Portfolio Service.

Thorntons Investments first launched as part of Thorntons Law LLP in 1995, before becoming a company in its own right in November 2014.

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