

Tax Behaviour Spectrum

GAM Tax Behaviour Spectrum

Overview



Using all available tax avoidance strategies and arrangements to avoid as much tax as possible while maximising cashable state benefits.

Using mainstream planning methods to minimise tax typically through estate planning and strategic use of tax exemptions, reliefs and allowances while claiming cashable state benefits.

Paying tax at the required rates without using mainstream planning methods to minimise tax and considering which cashable state benefits to claim.

Paying 'fair share' of tax based on applicable rates and personal values and principles, not claiming cashable state benefits.

GAM Tax Behaviour Spectrum: Extractive



Practice:

- Actively working to minimise tax as much as possible while maximising cashable state benefits.
- Participating in aggressive tax avoidance schemes and setting up tax avoidant structures.
- Engaging in general tax avoidance and exploiting grey areas to reduce or eliminate tax.
- Offshoring or otherwise hiding assets to deprive HMRC (and/or any other tax authorities in foreign jurisdictions) of inheritance tax and other taxes that would otherwise be due.

- Acquiring non-domiciled status prior to 6 April 2025 for the purpose of minimising tax.

Examples:

- Becoming non-domiciled prior to 6 April 2025 when previously UK domiciled and setting up an offshore trust for your assets.
- Doing the above while claiming benefits like state pension, child benefit etc.

GAM Tax Behaviour Spectrum: Individualistic



Practice:

- Maximising cashable state benefits.
- Making use of all available tax reliefs and deductible allowances without using artificial arrangements and tax avoidant structures or products.
- Arranging transactions with the intention of optimising for 'tax efficiency' and therefore reducing specific tax liabilities.
- Reducing the value of assets in your estate through gifts and other onshore transfers and transactions to reduce inheritance tax.

Examples on next slide.

GAM Tax Behaviour Spectrum: Individualistic



Examples:

- Attempting to optimise valuations of assets to reduce chargeable gains
- Timing a sale of investments to crystallise gains to use up annual exemption for capital gains tax.
- Splitting capital gains arising on investments between spouses to use up annual exemption for capital gains tax.
- Married couples transferring shares to make use of two BADR and IR lifetime allowances
- Using ISAs.
- Making use of the gifts out of income exemption to reduce potential Inheritance Tax liability.
- Making gifts to individuals or into UK trusts every seven years to pass on assets to family and reduce the value of the wealth holder's estate for inheritance tax.
- Participating in the aforementioned practices while claiming state pension, child benefit etc.

GAM Tax Behaviour Spectrum: Socially Engaged



Practice:

- Not seeking to take advantage of all cashable state benefits. The wealth holder acknowledges there is a choice in claiming these and seeks not to claim in line with their own good citizenship practice.
- Not engaging in any planning or structuring to minimise tax and paying tax at the required rate but using some reliefs and deductions.
- Starting to speak with other wealth holders about the importance of fulfilling tax obligations as a good citizenship practice and advocating for progressive tax reform among peers.
- Not using foreign domicile to minimise tax (pre April 2025)

GAM Tax Behaviour Spectrum: Socially Engaged



Examples:

- Not claiming cashable state benefits such as state pension, child benefit etc.
- Maintaining foreign domicile, but not making use of related tax treatment (pre 6 April 2025)
- Ensuring financial and legal advisors fully understand the wealth holders views on fulfilling their tax obligations.
- Reviewing existing and future arrangements are in line with these views.
- Using ISAs.
- Not making use of all available reliefs and deductible allowances. Some wealth holders may claim income tax reliefs on philanthropic gifts or pension contributions, but not on EIS/SEIS investments.

GAM Tax Behaviour Spectrum: Regenerative



Practice:

- Not seeking to take advantage of cashable state benefits.
- Not engaging in any planning or structuring to minimise tax and paying tax at the required rate.
- Not claiming allowable reliefs, deductions or tax-free products to minimise tax.
- Actively ensuring payment of 'fair share' of tax by defining what this means to the wealth holder and aligning with it. This may include paying tax at a higher rate than required.
- Publicly supporting the tax justice movement and campaigning for regenerative tax reform in the media.
- Rejecting foreign domicile status and advocating for its abolition.

Examples on next slide.

GAM Tax Behaviour Spectrum: Regenerative



Examples:

- Not using ISAs.
- Not claiming income tax relief on charitable donations.
- Not claiming income tax relief on pension contributions.
- Aligning capital gains tax rate with the wealth holder's marginal income tax rate and donating the difference to a tax justice movement.
- Choosing to acquire or maintain UK domicile status where there is genuinely scope for claiming non-domicile status (pre 6 April 2025).
- Making donations to Patriotic Millionaires UK.
- Making donations to Tax Justice UK and/or Tax Justice Network.
- Funding tax related research.

GAM Tax Behaviour Spectrum



On a personal note:

The categories are not neatly defined and wealth holders will often straddle more than one of the above categories. For instance, a wealth holder may wish to claim state pension, but at the same chose not to engage in any tax planning or structuring.