A 5-MINUTE GUIDE FOR COMPANY DIRECTORS AND FAMILIES

The Family Investment Company in 5 Minutes

A quick, plain-English overview of the FIC - what it is, the benefits, and how it works with a SSAS - in about five minutes.

tlpi

START HERE

What is a Family Investment Company?

A Family Investment Company (FIC) is a private limited company, set up to safeguard and grow wealth in a tax-efficient way and pass it to your family - while you, the director, keep control.

It is established much like any other company, but with rules that ensure it invests rather than trades. Funds can be invested in any asset class, from property to shares. Here are the facts, the benefits, and how it works with a SSAS - in five minutes.

THE FACTS

A FIC, at a glance

A private limited company
Set up like any company, but with rules so it invests rather than trades.

Built to invest, not trade
Kept separate from your trading company, which helps preserve Business Property Relief.

Tax-efficient family wealth
Designed to safeguard and grow wealth tax-efficiently, and help pass it to your family.

Any asset class
Funds can be invested at your discretion, from property to shares and more.

HMRC-regulated
Set up and run in line with HMRC rules and regulations.

You stay in control
Although set up to benefit the family, the director keeps control of decisions, funds and assets.

THE BENEFITS

What a FIC does for you and your family

A few of the reasons business owners set up a FIC. You may only need one or two of them to make it worthwhile.

01

A flexible alternative to a trust

A FIC offers more flexibility than a traditional trust, holding assets and passing them down through the generations.

Trust-style protection, company-style flexibility.

02

Help mitigate Inheritance Tax

Structured well, a FIC can help mitigate Inheritance Tax and simplify succession - avoiding much of the paperwork, legal wrangles and cost.

Pass wealth on, not into a legal maze.

03

Put company cash to work

Surplus cash from your trading company can be moved into the FIC and invested in any asset class, from property to shares.

Idle cash, turned into family investments.

04

Corporation Tax, not higher rates

Profits made within the FIC are liable for Corporation Tax, rather than the higher rates of Capital Gains Tax or Income Tax.

A more tax-efficient home for investment profits.

05

Hold property and ring-fence assets

Property can be held within the FIC to ring-fence family assets, support inheritance planning and grow a portfolio.

A structure built to hold and protect.

06

Income, with control kept

Directors can pay dividends from the profits as a form of income, while keeping control of the assets and funds.

Looks after the family, keeps you in charge.

AT ITS MOST POWERFUL

Combining a FIC with a SSAS

Combine a FIC with a Small Self-Administered Scheme (SSAS) and you have a Lifetime Business Tax Plan (LBTP) - aligning your business, wealth, investments and pension to minimise tax and plan succession.

BUSINESS

Your limited company

Your trading company - the source of the profits and cash the plan puts to work.

WEALTH

The FIC

Holds and grows family wealth, ring-fences assets and simplifies succession.

PENSION

The SSAS

A tax-advantaged pension that can receive funds, hold property and grow for retirement.

Together they help protect your trading company from inadvertently becoming an investment company (and losing Business Property Relief), bring frozen or dormant pensions back under your control, and put the mechanics of succession in place while your business keeps growing.

IN CONCLUSION

That is the FIC in five minutes

By combining a corporate structure with family ownership, a FIC offers real financial advantages today and a legacy structure that can last generations. The best next step is a short, no-obligation chat.

Book online: tlpi.co.uk - or call 01235 426666.

Free · no obligation

See the full picture

Book your free call

TLPI is a tax planning specialist, not FCA-regulated. The value of investments can fall as well as rise, and the tax treatment of any structure depends on your circumstances and may change. This is general information, not advice.

FIND YOUR STARTING POINT

Is a FIC right for you?

Use this as a guide, not a verdict. Find the line that sounds most like you, and follow it to a sensible next step. A no-obligation call will confirm what actually fits.

IF THIS SOUNDS LIKE YOU...	A SENSIBLE PLACE TO START
You want to protect family wealth and plan succession	Book a free 15-minute call
You have surplus cash in your trading company	Book a free 15-minute call
You want to hold property in a tax-efficient structure	See all SSAS resources
You want to combine a FIC with a SSAS	Explore the Lifetime Business Tax Plan
You are not sure yet, or it is several of these	Book a free 15-minute call

IN OUR EXPERIENCE

The questions directors ask us most

What is a Family Investment Company?

A FIC is a private limited company, set up by a company director to safeguard and grow wealth and pass it to the family - structured so that it invests rather than trades, while the director keeps control of the assets and decisions.

How does a FIC help with Inheritance Tax and succession?

Held within a FIC, family wealth can be structured to help mitigate Inheritance Tax and make succession simpler - avoiding much of the paperwork and legal cost - because beneficiaries are already part of the company. The right approach depends on your circumstances.

How is a FIC taxed?

Profits made within a FIC are liable for Corporation Tax, rather than the higher rates of Capital Gains Tax or Income Tax an individual might otherwise pay. Directors can also pay dividends from the profits as income.

Can a FIC be combined with a SSAS?

Yes. Combining a FIC with a Small Self-Administered Scheme (SSAS) creates a Lifetime Business Tax Plan (LBTP), aligning your business, wealth, investments and pension to minimise tax and plan succession.

WHAT HAPPENS NEXT

Getting started is refreshingly simple

1

A free, no-obligation call

A short conversation to understand your business, your family and your goals.

2

A tailored recommendation

We map your situation to the right structure and explain it plainly, with no jargon.

3

Set up and register

We form and register the company, and handle the paperwork and checks.

4

Ongoing support

Your consultant stays with you as your strategy and your family circumstances evolve.

YOUR NEXT STEP

See whether a FIC fits your situation

The fastest way to know is a short, no-obligation conversation with one of our experts. Book a free 15-minute call at a time that suits you, or explore a specific topic first.

Book your free 15-minute call

Prefer to read on first? The Lifetime Business Tax Plan · Which product is right for me? · All free guides and tools

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