

ENTREPRENEURS AND GROWTH BUSINESSES: KEY BUDGET MESSAGES

What does the 2026 Autumn Budget mean for you and your business? Our experts highlight four key takeaways and their impact for entrepreneurs, founders, start-ups and growth businesses.

Impact: Founders of fast-growing companies or those which have incurred significant R&D expenditure in the last 10 years are likely to be entitled to a significant tax break when selling their business.

Founders' Relief:

A new 10% CGT rate for disposals by founders and early investors of shares in high-growth, innovative UK companies from April 2027.

Impact: As with CSOP, EMI2 will be subject to much less in the way of restrictions and, with the significant market value increases, this should greatly expand the possible use of the scheme as a viable alternative to EMI.

EMI 2:

CSOP is to be significantly expanded with a headline limit of £120,000 per option holder and renamed as "EMI 2"

Distributions from companies:

Following a 2026 consultation, the government now intends to reform the framework for tax on company distributions.

Impact: The changes are targeted at capital reductions, but could have more far-reaching impacts and affect all shareholders who have control over how profits are distributed. Draft legislation will follow in 2027.

BADR and CGT rates:

Reduction of BADR threshold to £500k but no change to headline CGT rates.

Impact: The maximum value of BADR will fall to £30,000, though this could still be of interest in the context of EMI schemes.

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Get in touch to discuss these changes in more detail and what they mean for you and your business.





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