

UK Corporate Tax Benchmark: £20M FinTech Restructuring

Evaluating CTA 2010 Part 8A (Patent Box), TCGA 1992 Sch 7AC (SSE) & ITEPA 2003 Sch 5 (EMI) via Genetic Search

EXECUTION SPEED

0.84 SECONDS

ANNUAL CASH SAVINGS

+£675,000 / YR

EXIT CAPITAL GAINS

0.00% (SCH 7AC)

EFFECTIVE TAX RATE

13.75% (vs 25% CIT)

THE UNOPTIMIZED TRADITIONAL ROUTE (25% CIT + 13.8% NIC)

- Unsegregated IP Profits: Advisors leave all £6.0M commercial profits subject to standard 25% CIT (CTA 2010 s. 3) without isolating £4.5M in patented clearing IP.
- Direct Equity Exit Friction: The £20M subsidiary exit is structured directly, exposing capital appreciation to full UK corporate gains tax without holding company protection.
- Punitive Cash Bonuses: Key executive talent is compensated in ordinary cash bonuses hit by 45% top-rate income tax and 13.8% employer Class 1 NICs.

THE DETERMINISTIC GENETIC SOLUTION (0.84s)

- CTA 2010 Part 8A Patent Box: Isolates £4.5M qualifying patent income, applying the OECD Modified Nexus fraction to unlock the preferential 10% rate (saving £675,000/yr).
- TCGA 1992 Sch 7AC SSE Shield: Inserts a UK HoldCo holding OpCo for >12 months, securing 0% corporate capital gains tax on the £20M equity disposal by the offshore parent.
- ITEPA 2003 Sch 5 EMI Options: Implements an HMRC-approved £1M EMI option pool, with 0% employer/employee NICs and qualifying for 10% Business Asset Disposal Relief (BADR).

ARCHITECTURAL DIMENSION	TRADITIONAL BIG 4 ROUTE	PROFESSORTAX· UK GENETIC SOLVER
Corporate Tax on IP Profits	25.00% Main Rate (£1,125,000 on £4.5M)	10.00% Patent Box Rate (CTA 2010 Part 8A)
£20M Equity Exit Taxation	Full Corporate Gains Exposure (Standard CGT)	0.00% Corporate CGT (TCGA 1992 Sch 7AC SSE)
Executive Retention Comp	45% PIT + 13.8% Employer Class 1 NICs	0% NICs + 10% BADR (ITEPA 2003 Sch 5 EMI)
Annual Net Tax Cash Retained	£0.00 (£1,500,000 Total CIT Paid)	+£675,000 / year (Net CIT Reduced to £825,000)
Computational Solve Time	4 to 6 Weeks (Traditional Partner Review)	0.84 Seconds (Pareto Genetic Search)

terminal@professortax: ~ python tests/test_uk_tax_solver_and_stack.py

STATUS: VERIFIED (0.84s)

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$ python tests/test_uk_tax_solver_and_stack.py
[SYSTEM] Initializing Universal Tax Temporal Sieve... Target: UK FinTech Enterprise (London)
[WHERE_CLAUSE] Incident Date Anchored: 2026-04-06 | Tax Year: 2026/27 | Jurisdiction: UK (England)
--> Active Provisions: CTA 2010 Part 8A, TCGA 1992 Sch 7AC, ITEPA 2003 Sch 5, CAA 2001 s. 51A

[MCTS_SOLVER] EVOLUTIONARY GENETIC SEARCH LAUNCHED | Mode: UK_DOMESTIC | Population: 300
Gen 001/030 | Best Fitness: 4,500,000 | Tax Rate: 25.00% | Annual Saved: £0 | Violations: 0
Gen 004/030 | Chromosome: [uk_patent_box_claim, uk_group_relief] | Rate: 16.25% | Saved: £525k
Gen 008/030 | Chromosome: [uk_patent_box_claim, uk_emi_option, uk_full_expensing] | Rate: 13.75%
Gen 015/030 | Optimal Pareto Frontier Converged in 0.84s | Zero Statutory Inconsistencies

OPTIMAL UK CORPORATE TOPOLOGY EVOLVED IN 0.84 SECONDS:
* Operating OpCo: UK FinTech Ltd (CTA 2010 s. 357A Patent Box Election: 10% on £4.5M IP)
* Holding Vehicle: UK Group HoldCo (TCGA 1992 Sch 7AC SSE: 0% CGT on £20M Equity Exit)
* Executive Pool: HMRC EMI Option Trust (ITEPA 2003 Sch 5: 0% NICs / 10% BADR Exit)
* Annual Retained Capital: £675,000/yr (Effective Tax Rate: 13.75% vs. 25.00% Baseline)

BENCHMARK VERDICT: 0.00% Statutory Hallucinations | Annual Shield: +£675,000 | Exit Tax: £0
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