

Time for the Office of Tax Simplification to claim an e...

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The FT [includes an article](#) on the attractions and risks of the second tier, AIM, stock market. In particular it focuses on the attraction of investment in this market for the elderly as shares quoted on it and are subject to inheritance tax business property relief and are exempt from that tax as a result. I am quoted in the report:

HMRC recognises Aim companies as unlisted and private – unlike companies listed on the main London Stock Exchange. However, this doesn't convince many tax campaigners.

“The economic logic for inheritance tax business property relief being granted on investment in Aim quoted shares is baffling,” says Richard Murphy, professor of practice in International Political Economy at City, University of London.

“Rarely are these companies real start-ups, and their flotation is more frequently linked to releasing funds for founder shareholders than it is to raising new funds,” he adds. “The merits of attracting funds into this market seem few and far between for a government critically short of tax revenue. If there was an obvious candidate for a wholly unjustified tax relief to be removed then this one should win the prize.”

Prof Murphy warns readers relying on Aim Isas for inheritance tax planning purposes that curbing the use of this relief could be an “easy win” for the government’s Office for Tax Simplification.

I hope they take the issue on.