



Earning money from your shares, do you need to tell HMRC?

Understanding what you need to do if you sell your shares



Last updated: February 2026

Realising a gain from our share plan

Introduction

Our share plans are a key part of our reward offering to our colleagues. It means you:

- ◆ Own part of the company
- ◆ Have a say on key decisions, by voting at our General Meetings
- ◆ Can benefit from any success you help create if you sell your shares for a gain.

If you sell (or dispose of) some or all of your shares, and make a gain – **congratulations!**

Making a gain when you sell or dispose of shares is treated as a capital gain and the “gain” is subject to the Capital Gains Tax (CGT) rules. Unlike tax on your salary, we can’t pay this automatically on your behalf. **It’s your responsibility to inform HMRC if you need to pay any tax.**

In this guide, we’ll look at whether you need to let HMRC know of any capital gain you have received during a tax year.

Key dates for your calendar

6 April 2025 – 5 April 2026	Collate all information: <ul style="list-style-type: none"> ◆ Gains from the sale or disposal of shares; and ◆ Any income earned from shares during the tax year.
6 April 2026	The first date you can submit a Self-Assessment tax return for the 2025–26 tax year.
5 October 2026	Deadline to register for filing your Self-Assessment if you’ve not had to do one before.
31 December 2026	Deadline for reporting using the real-time CGT service or to pay your tax through PAYE if filing by Self-Assessment and the gain is less than £3,000. See our guide ‘Are tax filings new to you’ for further detail.
31 January 2027	Deadline for submitting your Self-Assessment tax return online and to pay your tax*. Deadline to pay your tax if you used the real-time CGT service. If you’re late, HMRC will issue an automatic penalty for late filing.

*The deadline for submitting a paper return is 31 October 2026

Understanding gain

CGT

Capital gains

This is when you sell your shares for more money than you bought them for, meaning:

Any gain on your shares may be subject to CGT. This guide will help you understand whether you need to tell HMRC about your gain, and if you may need to pay CGT.

You may need to pay CGT if you sold and made a gain on...

- ◆ Property that's not your primary residence
- ◆ Personal possessions such as collectables, jewellery, paintings or antiques
- ◆ Business assets
- ◆ Stocks and shares not held in an ISA

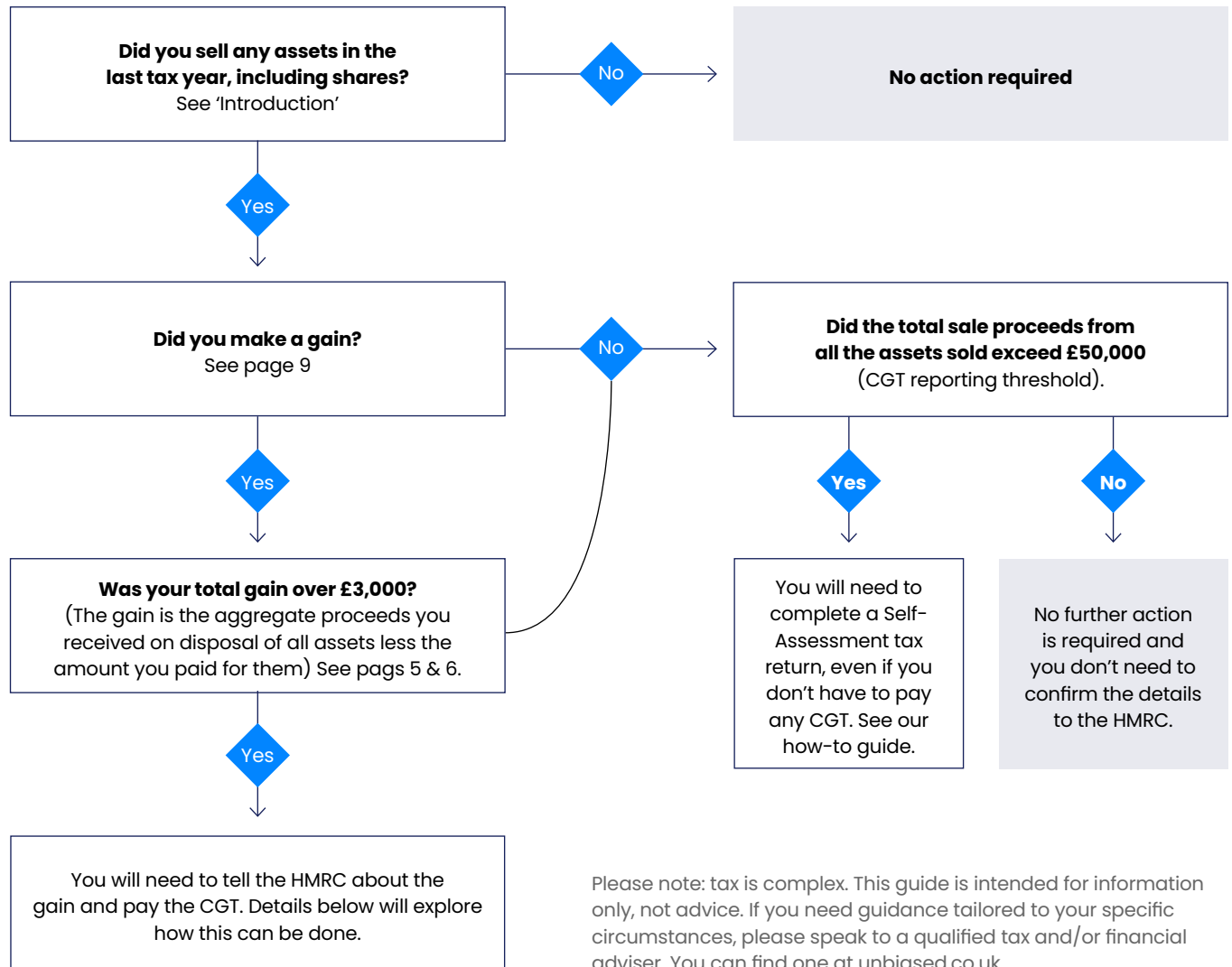
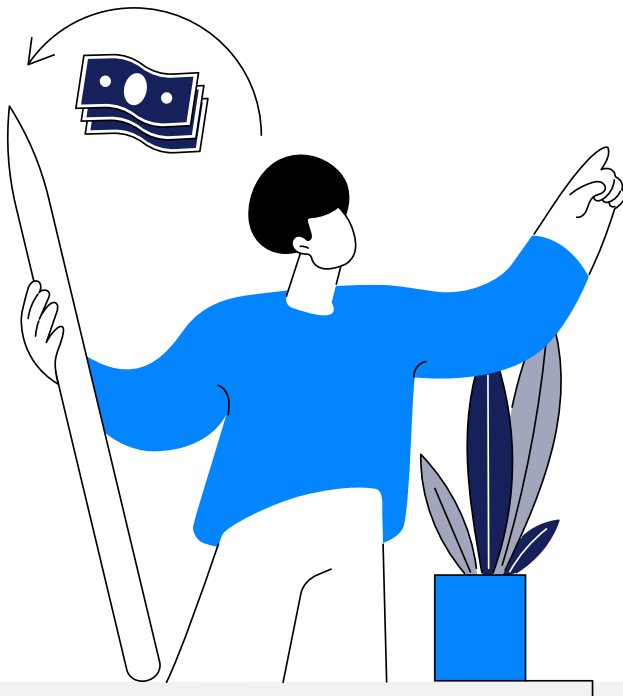


What do I need to do?

CGT

To know if you owe any tax, you need to look back at the last tax year, 6 April 2025 – 5 April 2026.

How much tax you need to pay – if any – depends on your personal circumstances. Follow the journey in these flow chart(s) to see what it means for you.



Please note: tax is complex. This guide is intended for information only, not advice. If you need guidance tailored to your specific circumstances, please speak to a qualified tax and/or financial adviser. You can find one at unbiased.co.uk.

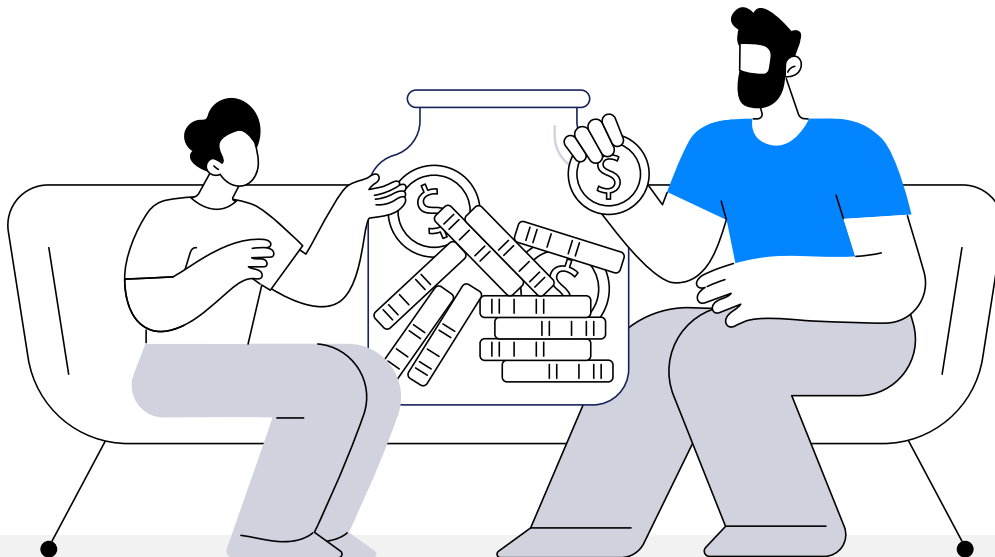
CGT filing criteria

Do you need to tell HMRC about your gains?

HMRC want to know if they should charge you tax, and how much. To allow them to work this out, they have a form that you can fill out. It's called a Self-Assessment tax return, because you assess your own financial situation and determine how much tax is payable to HMRC.

In the UK, the tax year runs from 6 April and ends on 5 April the following year.

Once the tax year finishes, you can look back at what happened during that period to see whether you need to complete a tax return. If you do, you'll usually need to submit it by 31 January of the following year.



For CGT purposes, you need to tell HMRC about any shares or other assets you've sold if:

You made a gain that exceeds the CGT annual allowance. This is the amount of capital gain you're allowed to earn before you have to pay tax.
For 2025-26, it's £3,000.

You sold shares and/or other assets worth more than £50,000. This is even if the gain you made is below the annual allowance* whether that is due to allowable losses* that offset your gain.

- ◆ When you report a loss, the amount is deducted from the gains made in the same tax year, if your total taxable gain is still above the annual allowance, you can deduct unused losses from previous tax years. Any remaining losses can be carried forward to a future tax year.
- ◆ Anyone can fill out a Self-Assessment tax return – even if they don't owe any tax. If you're not sure whether you need to do a Self-Assessment or you held your shares in a stocks and shares Individual Savings Account (ISA), you should seek the advice from an independent qualified tax adviser.

*If you've sold any reportable assets (see page 3) which resulted in a loss, you may be able to offset this value known as an allowable loss to reduce your total taxable gains.

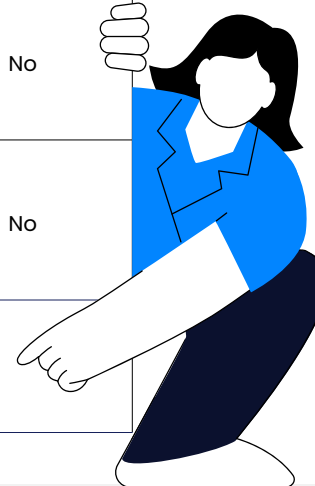
CGT filing criteria

Quick look

For the tax year 6 April 2025 to 5 April 2026, tick yes or no for each question:

Question		
Did you make more than £3,000 gain from selling (or disposing of) shares or other assets?	Yes	No
Did you sell (or dispose of) shares or assets worth more than £50,000 in total (even if your overall gain was lower than £3,000)?	Yes	No
Do you want to carry forward losses from earlier tax years?	Yes	No
Do you already complete a Self-Assessment for another reason (e.g. rental income, self-employment)?	Yes	No

If you tick "Yes" to any of these, you'll usually need to tell HMRC and include this in a Self-Assessment tax return.



If this is your first experience of having to deal with selling shares the guidance below might help.

- ◆ HMRC doesn't just look at how much gain you made – they also care about your total proceeds from the sale (or disposal) of shares or other assets.
- ◆ Even if your gain is small, large sales /disposals (£50,000+) still need reporting.
- ◆ Losses can be helpful in the future, but only if you tell HMRC about them.
- ◆ If you already fill in a Self-Assessment for something else, HMRC expects you to include everything, including gains from selling (or disposing of) shares or other assets.

CGT filing criteria

Rob's story

See what this means for fictional characters Rob & Diane.

Here's Rob's story: telling HMRC

- ◆ Rob has been part of our share plans for 15 years. Over that time, he's spent **£20,000 buying shares**. In the last tax year Rob has sold all his shares so he could pay off his mortgage. His shares were worth a total of £30,000. He didn't sell any other assets during the same tax year.
- ◆ Rob made a **loss of £2,000** from selling other shares in previous years.
- ◆ Rob has not completed a Self-Assessment tax return before.



Total investment This is the money Rob spent on his shares	£20,000
Total value This is how much Rob sold his shares for	£30,000
Total gain This is how much Rob made from selling his shares	£10,000 £30,000 value - £20,000 investment
Allowable losses This is the loss that Rob made when he sold some shares in a previous tax year. The loss can be claimed if it is within four tax years following the end of the tax year in which the loss incurred.	(£2,000)
If Rob reports his allowable losses of £2,000 (and the loss is within the four-tax-year window), it reduces the amount of gain on which Rob may be taxed.	£8,000 £10,000 gain from 2025/26 tax year - £2,000 loss from previous years.

After the end of the current tax year, Rob will need to complete a Self-Assessment tax return his gain on the sale of his shares exceeded the annual allowance of £3,000. The example above assumes there are no other capital gains during tax year 2025/26.

CGT filing criteria

Diane's story

Diane has been involved in our share plans for 6 years. Over that time, she's spent £12,000 buying shares. In the last tax year Diane decided to sell all her shares to buy a new car. Her shares were sold for £13,000. She also sold some jewellery for £2,000 that she bought a few years ago for £1,000.

Diane has not completed a Self-Assessment tax return before. She does not have any other reportable income.



Total investment This is the money Diane spent on her assets, including shares	£13,000 (£12,000 shares + £1,000 jewellery)
Total value This is how much Diane sold her assets for, including shares	£15,000 (£13,000 shares + £2,000 jewellery)
Total gain This is how much Diane made from selling her assets	£2,000 £15,000 value – £13,000 investment

Diane doesn't need to complete a Self-Assessment tax return for CGT purposes:

- ◆ Her total gain of £2,000 is below the annual CGT allowance of £3,000
- ◆ The total value of all the assets sold (including the shares) is less than £50,000
- ◆ There are no carried forward losses.

How much gain did you make?

Calculating your gain

If you need to pay CGT, it'll be on the gain you make. But how do you work out your gain? You need to look at the gain you made for the whole tax year across the disposal of your assets (including shares) – from 6 April 2025 to 5 April 2026. CGT is then calculated on your total gain, minus any allowable losses and the annual tax-free allowance (which is £3,000 for the tax year 2025-26).

Follow these steps to help you work out your gain.

Enter your responses for Steps 1-3, and Steps 4-5 will fill in automatically for you.



Step 1: Sale proceeds	The total amount you received from selling (or disposing of) the shares. = Number of shares sold × Sale price per share	£
Step 2: Acquisition cost*	The total amount you originally paid for the shares*. If you sold shares that were acquired at different prices, you may need to calculate the average price.** = Number of shares sold × price paid per share	£
Step 3: Costs and losses	Certain costs associated with selling your shares such stamp duty, broker fees can be deducted from your gain calculation. = All allowable costs and losses	£
Step 4: Capital Gain	The total amount of gain you made. = Sales proceeds (Step 1) - Acquisition cost (Step 2) - allowable costs (Step 3)	£
Step 5: CGT allowance	If your gain exceeds the annual CGT allowance for the relevant tax year, you must complete a Self-Assessment tax return. For tax year 2025-26, did your gain exceed £3,000?	

*If your shares were awarded for free, this will be the market value when you received the shares.

**Did you buy your shares at different times, for different prices? Go to page 11.

Go to your share plan portal, to view and manage your shares, including your past transactions. This will help you get the details you need for these calculations. For further support, get in touch with your internal share plan contact.

How much gain did you make?

Sarah's Story

See what this means with Sarah's example.

Last year, Sarah decided to sell 5,000 shares to help her new grandchild. She bought them for £3.00 per share three years ago, and has now sold them for £5.00 per share each. She used the 5 step calculator to work out if she might have to pay CGT.



Step 1: Sale proceeds How much Sarah made from selling her shares	£25,000 5,000 shares x £5.00 each
Step 2: Acquisition cost How much Sarah paid for these shares originally	£15,000 5,000 shares x £3.00 each
Step 3: Costs and losses Sarah's costs for selling her shares	£50 Sarah paid a broker fee
Step 4: Capital Gain Sarah's total gain from selling her shares	£9,950 £25,000 proceeds - £15,000 cost basis - £50 allowable cost
Step 5: CGT allowance Does Sarah's gain exceed the CGT allowance?	Yes – Sarah needs to complete a Self-Assessment tax return £9,950 exceeds the £3,000 CGT allowance. Sarah will need to pay CGT on the gain above the CGT allowance £6,950 (gain – allowance).

How much gain did you make?

Sarah's Story

See what this means with Sarah's example.

If Sarah acquired shares and on acquisition Sarah paid Income Tax on the whole or part of the value of the shares (for example, when a non-tax advantaged award is exercised or if any part of the tax-advantaged award is subject to Income Tax), the amount that Sarah paid Income Tax on is added to her CGT "acquisition cost".

This means that Sarah won't pay CGT on the amount she has already paid Income Tax on.



Exercise of shares example

Sarah exercises a non-tax advantaged option and receives shares worth £10 per share on the date of exercise.

- ◆ Her exercise price is £1 per share. Sarah pays income tax on £9 per share following the exercise of her non-tax advantaged option.
- ◆ Her CGT 'deemed' acquisition cost is £10 per share in total - made up of:
 - ◆ £1 she paid to acquire the shares (the exercise price), plus
 - ◆ £9 that she paid income tax on.

Sale of shares example

- ◆ When Sarah decides to sell the shares, she will only pay CGT on any increase in value above £10 per share.

*If it's unclear, on how to calculate the acquisition cost of the shares, please seek tax advice from an independent tax adviser.

Averaging share costs

Completed a sale of shares relating to multiple share plan awards?

If you've received shares at different times (for example, from several share plan releases), HMRC doesn't necessarily treat each share acquisition separately when you sell those shares. Instead, you may need to use the pooling method.

What does that mean?

Think of all your shares (that are in the same Company) as going into one big pot. Rather than tracking the cost of each individual share, you work out an average cost per share. That average is then used to calculate your gain or loss when you sell shares.

Pooling means averaging the cost of all your long-term shares, then using that average to work out any CGT liability when you sell.

Step 1: Understand the "share pool"

Your share pool contains:

- ◆ The total number of shares you own
- ◆ The total amount you paid for them

Every time you receive more shares, they're added to the same pool and the average cost is updated.

Step 2. Set up a share pool log

Every time you acquire new shares, you need to update your pool. Here's how to do it:

Part 1: Start the pool

Record the number of shares and the total acquisition cost for your initial holding.

Part 2: Add new shares

Each time you acquire more shares (e.g. through another share plan release), add the number of new shares and their cost to the pool.

Part 3: Calculate the average cost

To find the average cost per share in your pool, divide the total cost of the shares by the total number of shares.

Step 3: Use the pool when you sell shares

When you sell some of your shares:

- ◆ Take the average cost per share from your pool just before the sale
- ◆ Multiply it by the number of shares you sold to get your acquisition cost
- ◆ Compare this to what you sold the shares for to work out your gain or loss

If your total gains for the year exceed your annual CGT allowance, you'll need to report them on your Self-Assessment tax return. However, if your gain is less than the annual allowance, keep your records — you may need them for later tax years.

Important exception:

Not all shares go into the pool straight away.

- ◆ Shares bought and sold on the same day are matched together
- ◆ Shares sold within 30 days of being bought are also matched together including gains from selling shares or assets

These are known as the "same day" and "bed & breakfast" rules. Only shares held for more than 30 days end up in your main share pool.

Where to find your information

You can usually:

- ◆ View all share releases and sales through your share plan portal
- ◆ Download transaction history to help with calculations

If anything is unclear, you should seek advice from an independent qualified tax adviser.

Filing test

Consider the following...

1. Are you UK resident?

- ◆ **No** - If you sold or disposed of UK property, report online: [Non-resident CGT: UK property](#)
- ◆ **Yes** - Go to question 2

2. Did you sell or give away any assets (e.g. property, shares, etc.) in the current tax year?

- ◆ **No** - No CGT filing requirement
- ◆ **Yes** - Go to question 3

3. Did you sell (or dispose of) shares from an employee share plan (e.g. SAYE or options) and make a gain?

- ◆ **No** - Go to question 4.a
- ◆ **Yes** - Go to question 4

4. Was your total gain on the sale (or disposal) of all shares sold in this tax year above the annual tax-free allowance (£3,000 for 2025/26)?

- ◆ **No** - Go to question 4.a
- ◆ **Yes** - Go to question 5

4.a. Did you sell property that was not your main residence?

- ◆ **No** - Go to question 4.b
- ◆ **Yes** - Go to question 5

4.b. Did you sell other personal possessions or business assets liable for CGT in the current tax year?

- ◆ **No** - No CGT filing requirement
- ◆ **Yes** - Go to question 5

5. After deducting any allowable losses, is your remaining gain across all sold assets still above the annual tax-free allowance?

- ◆ **No** - Go to question 5.a
- ◆ **Yes** - CGT filing required

5.a. Did you sell shares or other assets where the sale proceeds exceeded £50,000 (CGT reporting threshold)?

- ◆ **No** - No CGT filing requirement
- ◆ **Yes** - CGT filing required

Filing methods

Next steps

If you think you have a CGT filing requirement, this can be done in two ways:

Method	Pros and Cons
Self-Assessment tax return	Pros: Comprehensive; allows you to report all income and gains. Cons: More complex and time-consuming to complete.
CGT-specific simplified online filing, called 'Real-time CGT service'	Pros: Quick and simplified; lets you report gains immediately after the sale. Cons: Only suitable for specific assets and requires separate reporting of other income.

If you want a step-by-step process of the two methods, refer to: **'Are tax filings new to you?'** A step-by-step how-to guide on the process.



Glossary

Some terms you might come across

We've used plain English throughout this guide, to help you understand the complex world of working out if you need to pay tax.

However, you may come across these words as you go through your tax journey. Here's a reminder of what they mean.

- ◆ **Acquisition cost** – The original value of an asset, including the original price paid and certain costs, used to calculate the gain.
- ◆ **Allowable costs** – Fees that are usually paid when you dispose of any assets. For shares this would likely be commission charged through the share dealing service.
- ◆ **Allowance** – The amount of gain you can make in a tax year, before you must tell the HMRC about any assets you have disposed of.
- ◆ **Capital Gains Tax (CGT)** – A tax paid on the gain you make when you sell or dispose of an asset that has increased in value.
- ◆ **Filing** – The process of submitting required tax information and forms to HMRC.
- ◆ **Gain** – The gain made when an asset is sold for more than its acquisition cost.
- ◆ **HMRC** – His Majesty's Revenue and Customs, the UK government department responsible for collecting taxes.
- ◆ **Proceeds** – The amount of money received from selling or disposing of an asset.
- ◆ **Tax return** – A form submitted to HMRC that reports income, gains, and taxes owed for a tax year.
- ◆ **Self-Assessment** – HMRC's system that requires individuals to calculate and report their own tax, including CGT, via a tax return.

Disclaimer

This guide has been provided in good faith for information purposes only. We're not permitted to provide tax advice. You may wish to seek independent, professional financial and/or tax advice if you're unsure about CGT and need tailored advice specific to your circumstances.

This guide was correct at the time of writing (April 2025, last reviewed February 2026). If it conflicts with the law or any official HMRC guidance, then the law or HMRC's guidance will prevail.

