

Stepping back from your practice in Northern Ireland

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Your options

There are six ways to leave a practice. They differ in how much you receive, when you receive it, and how much of the risk you keep after you have gone.

Route	What you sell	How you are usually paid	What to watch
Sell the client list (fee book)	Your goodwill and the right to approach your clients	Part on completion, the rest over one to two years, often adjusted for how many clients stay	Your company or partnership keeps its history and liabilities, and you still have to close it down
Sell the company	Your shares, so the whole firm changes hands	Part on completion, part deferred	The buyer takes on the firm's past, so expect detailed questions and warranties in the contract
Merge	Your firm, in exchange for a share of a bigger one	Often little cash at the start; a profit share or equity instead	You stay involved, and you lose the final say
Sell to your staff	Shares or the fee book, to people who already work there	Mostly from the firm's future profits, over several years	Your money depends on the firm doing well after you step back

Employee ownership trust	A controlling stake, to a trust for the staff	From future profits, over several years	Since 26 November 2025 only half the gain is tax-free, and the other half gets no Business Asset Disposal Relief
Wind down	Nothing; you stop taking work and clients move on	No sale price	You still pay for insurance cover after you stop, and clients choose their own new accountant

Most Northern Ireland practices with one or two owners end up choosing between the first two. If your firm is a limited company, a buyer may prefer to buy the client list and leave the company with you, or buy the shares and take on everything. Which one suits you depends on the tax, on what the company holds besides goodwill, and on how much of the firm's past you want to hand over.

When to start

Start two years before the date you want to stop. Nearly everything that raises the price takes longer than owners expect, because it depends on clients getting used to someone other than you.

Months before you stop	What to do
24	Decide on your route and the date. Get a valuation range. Check your engagement letters are signed and up to date for every client.
18	Introduce a second point of contact for your largest clients. Write down how the firm's main jobs are done. Clear old work in progress and debtors.
12	Talk to buyers. Get tax advice on the structure before you sign heads of terms. Tell your insurer what you plan.

6	Agree heads of terms. Start due diligence. Plan how and when you will tell staff and clients.
3	Give staff information to the buyer (at least 14 days before the transfer in Northern Ireland). Consult staff. Agree the client letter.
0	Complete. Clients receive the joint letter. New engagement letters go out. Arrange run-off insurance.
After	Introduce the buyer to clients in person where you can. Any deferred payment depends on this period going well.

If something forces the pace, such as illness, you can sell in three to six months. You will have fewer buyers to choose from, and more of the price is likely to depend on clients staying.

What a buyer looks at

A buyer is paying for fees that will still be there in two years' time. Everything they check comes back to that.

Recurring fees

Annual accounts, tax returns, payroll and bookkeeping that come back every year are worth far more than one-off work. Separate the two in your figures before a buyer asks.

How much depends on you

This is usually the biggest single factor in the price. A buyer will ask who each client rings, who signs off the work, and whether the firm would run for three months without you. If the answer to all three is you, more of the price will be deferred and tied to clients staying.

Client concentration

If your top ten clients make up a large share of your fees, losing one of them after the sale hurts the buyer. Expect them to look closely at those clients and their relationship with you.

Fee levels

Many long-established practices charge less than the work is worth, because fees have crept up slowly from a low base. A buyer will notice. Some will see an opportunity and some will see clients who may leave when prices go up. If you can review your lowest fees in the year before a sale, do.

Staff

Staff who know the clients and will stay after the sale make the deal safer for the buyer. Their pay, contracts and length of service all transfer with them.

Records and systems

Signed engagement letters, up-to-date client due diligence for anti-money laundering, cloud software and clear job records shorten due diligence and remove reasons to reduce the price.

Making Tax Digital

Making Tax Digital for Income Tax applies from April 2026 to sole traders and landlords with qualifying income over £50,000, from April 2027 over £30,000, and from April 2028 over £20,000. A buyer will want to know how many of your self-assessment clients it covers and whether they are ready, because quarterly reporting changes how much work each of those clients needs.

Source: gov.uk, "Check if you're eligible for Making Tax Digital for Income Tax".

How the price is paid

The price of a practice is usually split into three parts.

- **On completion:** cash on the day the deal completes.

- **Deferred:** fixed amounts paid on set dates afterwards.
- **Linked to clients staying:** an amount that goes up or down depending on how much of the fee income is still there after a set period, usually twelve months.

The headline price matters less than how it is split. A lower price with more paid on completion can be worth more to you than a higher one that depends on clients you will no longer be looking after.

What to agree before you sign heads of terms

- How "clients staying" is measured: by fee, by client, or by work billed.
- Whether fees that rise after the sale count in your favour.
- What happens if the buyer loses a client through their own service or pricing.
- Whether a client who leaves because they die, retire or sell their business counts against you.
- When each payment is due, and what security you have if the buyer does not pay.
- What your role is after completion, for how long, and whether you are paid for it.

Tax on the sale

Tax rates and reliefs below were checked against gov.uk and the legislation on 12 October 2026. Take advice on your own position before you agree a structure.

Business Asset Disposal Relief

Capital gains tax on a qualifying sale is charged at 18% for disposals from 6 April 2026, up from 14% in 2025/26 and 10% before that. The relief covers up to £1 million of gains over your lifetime.

To qualify on a sale of company shares, for two years before the sale you must have been an officer or employee, held at least 5% of the shares and voting rights, and been entitled to at least 5% of the profits or assets. The company must be a trading company. As a sole trader or partner, you must have run the business for two years and be selling all or part of it. If you close the business, assets must be sold within three years.

Without the relief, the gain is taxed at 18% within your basic rate band and 24% above it, after an annual exemption of £3,000.

Earn-outs and deferred payments

- **Fixed deferred amounts** are taxed in full at completion, even though you receive them later. If one is never paid, the tax can be adjusted.
- **Amounts that cannot be known at completion**, such as a payment linked to client retention, are taxed in two stages. The right to future payments is valued and taxed as part of the sale. Each later payment is then a separate gain, and HMRC's view is that Business Asset Disposal Relief does not apply to those later gains.
- **Payment in the buyer's shares or loan notes** usually defers the tax until you dispose of them. You can elect out of this, but the deadline is strict and the election cannot be withdrawn.
- **Paying the tax in instalments:** if the price is paid over more than 18 months, HMRC can let you pay the tax over up to eight years.

The way the deferred part is written in the contract changes how much tax you pay and when. Agree the wording with your tax adviser before you sign.

Selling shares or selling the client list

On a share sale you are taxed personally on the gain on your shares. On a sale of the client list by your company, the company is taxed on the gain, and you are taxed again when you take the money out. On the same sale price, a share sale usually leaves you with more.

A buyer often prefers to buy the client list. Since 1 April 2019 a company buying goodwill can get tax relief on it at 6.5% a year, but only if it also buys qualifying intellectual property, and the relief is capped at six times the value of that property. A share purchase gets no relief at all. Expect this to come up in negotiation.

A sale of the client list as a going concern to a VAT-registered buyer who carries on the same business has no VAT charged on it.

Stamp duty on a share purchase is 0.5%, paid by the buyer.

Your staff

When a practice is sold as a going concern, its staff transfer to the buyer on their existing terms under the TUPE regulations. That applies in Northern Ireland as it does in England, with three differences that matter to a small firm.

- **Staff information is due 14 days before the transfer**, not 28 as in Great Britain. The 2014 changes to TUPE that lengthened the deadline do not apply here.
- **Every employer must consult through staff representatives.** The exemptions that let small employers in Great Britain consult staff directly were never applied in Northern Ireland. If you have no representatives, staff must be invited to elect them, in good time.
- **Employment law here is separate.** The Labour Relations Agency, not Acas, is the body for advice and early conciliation, and claims go to the Industrial Tribunal.

If you sell your shares, nothing transfers. Staff stay employed by the same company and TUPE does not apply.

Sources: TUPE 2006 regulations 1 and 11; Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014, regulation 1; Labour Relations Agency.

Your clients

Buying a client list does not give the buyer your clients. Each client chooses whether to move. A careful handover is what makes them stay, and it is usually what the deferred part of your price depends on.

- **Confidentiality:** before you give a buyer any client details, you need a confidentiality agreement and, under ICAEW guidance, the client's authority. Buyers usually start with anonymised figures.
- **Consent:** clients must be told about the sale and agree before the buyer works for them. Send a joint letter from you and the buyer.

- **Data protection:** passing client records to a buyer is data sharing. Legitimate interests will usually be the lawful basis. If your privacy notice does not mention a sale, tell clients.
- **Engagement letters:** the buyer issues new ones. Anti-money laundering checks are their responsibility from the start; they can rely on yours only with your written consent.
- **Your files:** keep your own working papers. You may need them if a claim is made about work you did.
- **HMRC:** if the client list moves to a different legal entity, the buyer uses their own agent services account and every client authorises them again. Agent codes cannot be moved between accounts. HMRC's guidance does not cover a share sale, where the firm itself stays the same, so agree with the buyer how they will handle it.

Sources: ICAEW helpsheet "Buying and selling fees"; ICO data sharing code of practice; gov.uk "What to do if your tax agent business is changing".

Your professional body and regulation

Insurance after you stop

You stay liable for work you did before the sale, so you need professional indemnity cover after you stop practising. The rules depend on your body.

- **ICAEW:** cover for at least two years after the firm stops, then all reasonable steps to keep it for a further four.
- **ACCA:** six years, compulsory.
- **AAT:** six years, strongly recommended.
- **Chartered Accountants Ireland:** the period is set in its Public Practice Regulations. Confirm it with the Belfast office on 028 9043 5840 before you plan.

Get a quote for run-off cover early. It is a real cost and belongs in your figures when you weigh up offers.

Alternates

Chartered Accountants Ireland has no general requirement for a sole practitioner to appoint an alternate, though it does for client money and insolvency work. ACCA requires every sole practitioner to have a written continuity agreement. Put one in place now if you have not got one. It protects your clients if something happens to you before you sell.

Anti-money laundering

Everyone who becomes an owner, officer or manager of an accountancy firm needs approval from the firm's anti-money laundering supervisor first. Acting without it is a criminal offence. If you sell your shares, the buyer's people need approval before completion, so build that into the timetable.

Sources: ICAEW PII Regulations; ACCA Rulebook; AAT; Chartered Accountants Ireland helpsheet on alternate arrangements; Money Laundering Regulations 2017, regulation 26.

Checklist

- ☐ I have a date in mind and a preferred route.
- ☐ I know my recurring fees separately from one-off work.
- ☐ I know what share of fees my ten largest clients make up.
- ☐ Every client has a signed, current engagement letter.
- ☐ Anti-money laundering checks are up to date for every client.
- ☐ My largest clients deal with someone other than me as well.
- ☐ The main jobs are written down so someone else could do them.
- ☐ My lowest fees have been reviewed in the last year.
- ☐ Old work in progress and debtors have been cleared.
- ☐ I know which self-assessment clients Making Tax Digital covers and when.
- ☐ Staff contracts and pay records are complete.
- ☐ I know how I would consult staff if the business transferred.
- ☐ I have a quote for run-off insurance.
- ☐ I have a continuity or alternate arrangement in place.

- ☐ I have had tax advice on a share sale against a sale of the client list.
 - ☐ I know whether I qualify for Business Asset Disposal Relief and how much of my £1 million is left.
 - ☐ I know how much I need on completion and how much I can wait for.
 - ☐ I know what role, if any, I want after the sale, and for how long.
 - ☐ My privacy notice covers a sale of the practice.
 - ☐ I know what my clients and staff should hear, and in what order.
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How Buzz Accounting Ireland buys practices

We are an accountancy firm based in Galgorm, Ballymena. In July 2026 Buzz Accounting Ireland bought the client base of J A McClements & Co, and Tony McClements stayed on as a business advisor and coach to his clients.

We buy client lists and limited companies across Northern Ireland, from sole practitioners to firms with several staff. You deal with me from the first conversation to completion. If you would like a confidential view of what your practice is worth, or to talk through any of this, call or email me.

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