

The Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
11 Downing Street
London
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Dear Ms Reeves,

The Inheritance Tax (IHT) changes announced in last year's Autumn Budget—particularly those affecting Agricultural and Business Property Relief (APR/BPR)—threaten the financial viability and future of many enterprises.

APR has drawn significant attention given their 'asset-rich, cash-poor' business model, which will result in many farms being forced to sell land and assets to cover IHT liabilities, limiting investment and undermining the long-standing British tradition of family farming.

Whilst they have stirred protests and sustained media coverage, restrictions on BPR have received less scrutiny – despite their potentially grave consequences for family businesses.

Unlike farms, which at least have land to sell, small businesses often have few physical assets, leaving them with only shares in the business to sell to cover the tax bill. By diluting ownership and weakening family-run enterprises in this way, it discourages both retention and growth, undermining the very foundation of these businesses.

To alleviate the damaging impact, the SCC urges the Treasury to:

1. **Clarify whether relief applies to total asset value or each individual business.**
2. **Raise the threshold to £2 million**
3. **Increase relief to a compromise level of 75%**
4. **Engage more with family-run businesses across the UK**

While the SCC, as Scotland's leading business organisation, recognises the need for fiscal discipline, the Treasury's current proposals would stifle growth, discouraging reinvestment and productivity in family-owned businesses.

At a time of economic uncertainty, such a misstep would be deeply damaging, and we would encourage you to give these concerns the same consideration as you have for farmers.

We welcome any opportunity to positively engage further with the Treasury to work towards a balanced solution. We look forward to your response.

Yours sincerely,



Dr. Elizabeth Cameron CBE
CEO, Scottish Chambers of Commerce