Solvent Company Liquidations Surge Nearly 7× Before Tax Rise, Then Plunge 94%, Study Finds

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Solvent company liquidations surged to nearly seven times their January daily average in the five working days before the April 2025 UK tax increase, before plunging 94% in the following five working days, new research has revealed.

With the Autumn Budget approaching on 28 October, amid fresh speculation over Capital Gains Tax and further changes to Business Asset Disposal Relief, the findings raise the prospect of another last-minute rush to close solvent companies.

Licensed insolvency practitioners Clarke Bell analysed 21,839 Members' Voluntary Liquidation (MVL) resolutions between January 2024 and September 2026, uncovering dramatic spikes around three major tax events.

The three highest monthly totals in the study all occurred in the run-up to the 2024 Autumn Budget or increases in Business Asset Disposal Relief (BADR).

The most striking findings include:

- **October 2024:** A record 2,760 resolutions, including 1,092 in the five working days before the Autumn Budget.
- **April 2025:** Activity surged to 6.83 times its January daily average ahead of the BADR tax increase from 10% to 14%, with 604 resolutions in five working days.
- **April 2026:** Another 673 resolutions were recorded in the final five working days before BADR rose from 14% to 18%, with activity reaching 6.41 times its January average.

In all three cases, liquidation resolutions fell by 93–94% immediately after the deadline, comparing the five working days before and after each event.

John Bell, Senior Partner and Licensed Insolvency Practitioner at Clarke Bell, said:

"What stands out is how consistent the pattern is. Ahead of the 2024 Budget and both BADR increases, MVL activity became heavily concentrated in the final few working days, then fell by 93–94% immediately afterwards. The data cannot tell us why any individual shareholder acted when they did, but the timing is hard to ignore. With another Budget approaching, the previous three events show just how sharply behaviour can become concentrated around known fiscal deadlines."

The researchers also ruled out a simple seasonal explanation. Activity before the 2024 Budget was 3.38 times its usual level, with no comparable surge in 2023. The April 2025 and 2026 spikes were also substantially higher than in April 2024, when BADR remained unchanged.

Jason Piper, Head of Tax and Business Law – Policy and Insights at the Association of Chartered Certified Accountants (ACCA), said:

"Planning around deadlines is inevitable, and whenever there’s a timetable for tax reforms that will drive behaviours. Although the bunching around scheduled changes may not be ideal, it’s probably better than the alternative – to have tax policy changes effective from midnight on budget day with no certainty about what will happen or when. With only the bare numbers, we can’t be sure about motivations, but it does suggest that tax is the driving factor in timing, and that’s not necessarily a good thing."

The latest figures also show solvent liquidation activity rising through summer 2026, from 11.5 resolutions per working day in May to a provisional 22.0 in September.

With the 28 October Budget approaching, the research reveals how sharply solvent company closures have clustered around previous fiscal deadlines, although it cannot establish whether the pattern will repeat.

The full methodology, underlying data tables and calculation audit are available to journalists on request.

Notes to editors

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Clarke Bell analysed 21,839 confirmed MVL resolutions dated 1 January 2024 to 30 September 2026, plus 3,100 resolutions from August–December 2023 for comparison.

The analysis uses shareholder resolution dates rather than Gazette publication dates. Researchers removed 178 duplicate notices and manually checked 200 records, finding no discrepancies.

MVLs close solvent companies and are not insolvent business failures. Figures count resolutions, not individual companies or owners. The findings establish timing patterns, not causation or taxable distribution dates.

The full methodology, data tables, and calculation audit are available on request.

Jason Piper's comments represent an independent view. ACCA did not commission or produce the research.

About Clarke Bell

Clarke Bell is a Manchester-based firm of licensed insolvency practitioners advising directors and accountants across England and Wales. Founded in 1994, it has handled more than 5,500 company liquidations, including MVLs and CVLs. Its insolvency practitioners are regulated by the ICAEW.

Company Contact:

Clarke Bell

T. 0161 907 4044
E. info@clarkebell.com
W. https://clarkebell.com/

Additional Contact(s):
For media enquiries, interview requests with John Bell, Senior Partner and Licensed Insolvency Practitioner, or access to the full research methodology, underlying data and charts, please contact info@clarkebell.com or call 0161 907 4044.

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