

# New Dividend Reporting Rules for Close Company Directors

What every owner-managed business director needs to know · From 6 April 2025

From the **2025/26 tax year** (Self Assessment return due **31 January 2027**), HMRC requires directors of close companies — including most owner-managed limited companies — to provide significantly more detail about dividend income. Failure to comply carries a new **£60 fixed penalty per missing or incorrect item**.

## WHAT YOU MUST NOW DECLARE

<b>1</b>	<p><b>Separate disclosure</b> Dividends from your own company must be reported separately from other dividend income (investments, ISAs, etc.).</p>
<b>2</b>	<p><b>Company name</b> The full registered name of each close company from which you received dividends.</p>
<b>3</b>	<p><b>Registration number</b> The Companies House registration number for each company.</p>
<b>4</b>	<p><b>Dividend amount per company</b> The exact dividend amount from each company — not a combined total.</p>
<b>5</b>	<p><b>Highest shareholding %</b> Your highest percentage shareholding during the tax year — use the highest figure held at any point.</p>
<b>6</b>	<p><b>SA102 mandatory question</b> 'Were you a director of a close company?' is now mandatory on the Employment pages — it can no longer be left blank.</p>

### ■ The New Penalty

A **£60 fixed penalty per item** applies to missing or incorrect data in these new disclosures — on top of any existing inaccuracy penalties. A director with three companies who omits each registration number faces **£180** in fixed penalties alone.

## YOUR ACTION CHECKLIST

- Collect dividend vouchers for every dividend paid — with date, amount per share and total.
- Note your shareholding % throughout the year; record the highest figure.
- Confirm your Companies House number — keep it with your tax records.
- If dividends came from more than one company, keep separate records for each.
- Contact us before your 2025/26 return is prepared — we need more detail than before.
- Use your accounting software (Xero, FreeAgent, QuickBooks) to auto-generate compliant vouchers.

## ■ Dividend Tax Rates — Upcoming Increase

Rate	2025/26	2026/27	Change
Basic rate	8.75%	10.75%	<b>+2.0%</b>
Higher rate	33.75%	35.75%	<b>+2.0%</b>
Additional rate	39.35%	39.35%	—

*Rates rise from 6 April 2026 — speak to us about optimising your 2025/26 dividend before the year end.*