

E-NEWS

03 March 2020

Welcome to eNews, haysmacintyre's regular "e-news alert" for corporates and private individuals.

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EAMONN HOLMES: ITV EMPLOYEE

The latest IR35 decision from the [First Tier Tax tribunal](#), regarding TV presenter Eamonn Holmes, has concluded that there was sufficient mutuality of obligation and framework of control in place to demonstrate that a 'deemed employment' was in place. This was despite the 'considerable autonomy' that Holmes considered existed regarding his input into 'This Morning' where he allegedly only followed a script for 10% of the time. Although Holmes may appeal the decision, it demonstrates the challenges medium and large businesses will face in April 2020 in applying the IR35 rules. Please contact [Nick Bustin](#) for advice on IR35 matters.



FRC ISSUES GUIDANCE ON COVID-19

The Financial Reporting Council (FRC) has [published guidance](#) on the disclosure of risks and other reporting consequences arising from coronavirus (COVID-19). Disclosure of the principal risks of a business is required and might extend to the impact of COVID-19, especially those operating in, or having close trading associations with, China. The FRC is also discussing with audit firms whether COVID-19 affects the ability to review component audits in China and the impact on timely audit opinions.

SIMPLIFIED APPROACH FOR NRLS COMING

HMRC has [issued a guidance note](#) explaining the simplified approach to the corporate interest restriction rules which agents for non-resident landlords (NRLs) might adopt. This determines the amount of finance costs that can be deducted from rents collected when calculating the amount to withhold from 6 April 2020. The irrevocable election allows for a fixed allowance of 30% of the UK rental income, net of deductible expenses, excluding finance costs. Any unused allowance can be carried forward with unused financing costs. Please contact [Katharine Arthur](#) for advice regarding NRLs.



ELECTIONS FOR OFFSHORE CIVS SELLING UK PROPERTY

HMRC has [published its guidance on the transparency and exemption elections](#) for offshore collective investment vehicles (CIVs) and qualifying companies for capital gains tax purposes. The elections, which ensure that multiple layers of tax do not apply, must be in place by 5 April 2020. Please contact [Katharine Arthur](#) if you require assistance with these elections.



REPORTING DURING BREXIT TRANSITION

The FRC and Department for Business, Energy and Industrial Strategy have [published guidance](#) for accountants confirming that there will be no substantive changes to corporate reporting during the Brexit transition period which is due to end on 31 December 2020. For accounting periods beginning after 31 December 2020 it is expected that UK companies will need to prepare IFRS accounts under UK, not EU, adopted international accounting standards. Separate guidance has been [published for auditors](#) regarding the impact on them of the transition period and thereafter.

SEPARATION OF AUDIT PRACTICES

The FRC has [announced that it has written to the UK's largest audit firms](#) setting out its expectations of operational separation of their audit practices as part of its ongoing drive to improve audit quality and audit market resilience. The FRC expects independent governance and clear and transparent financial results of the audit practice.



FRC INVESTIGATES CLIMATE CHANGE

The FRC has [announced that it will be reviewing](#) the way in which companies and auditors are assessing and reporting on the impact of climate change. The review will assess: the quality of compliance with reporting requirements; audits to see how auditors are ensuring climate risk has been appropriately reflected; the resources within audit firms to support audit teams; the quality of disclosures; and whether the Financial Reporting Lab's recommendations are being adopted.

THIRTY DAYS TO PAY CGT ON RESIDENTIAL PROPERTY DISPOSALS

With effect from 6 April 2020, UK residents disposing of a residential property in the UK, either by way of sale or gift, will have 30 days from the date of completion to notify HMRC and pay any Capital Gains Tax (CGT) due. Failure to do so will attract penalties and interest. Non-UK residents must continue to report sales or disposals of UK property interests within 30 days of completion, whether or not there is a CGT liability. Please contact [Katharine Arthur](#) if you require assistance with your CGT issues.

AND FINALLY... FINANCE BILL PUBLICATION DATE CONFIRMED

In a [Written Ministerial Statement](#), Financial Secretary to the Treasury Jesse Norman, has confirmed that the Finance Bill will be published on 19 March 2020.

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Winner: Audit Team of the Year



Top 15 auditor to quoted companies in Adviser Ranking Listing



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