

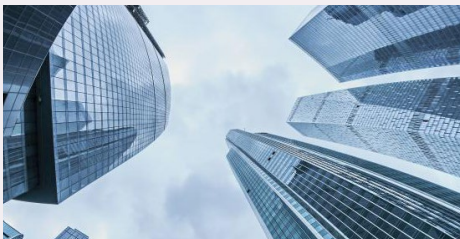
eNews

9 FEBRUARY 2021

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

CONSTRUCTION SECTOR TO FACE VAT REVERSE CHARGING

The domestic reverse charge for construction services was originally to be introduced in 2019, but was delayed until 2020 due to lobbying by the industry to give businesses more time to prepare for it. The introduction was then further delayed due to the COVID-19 pandemic. However, reverse charging is now due to come into effect on 1 March 2021. Further details can be found in [this article written by our VAT department](#) which was first published in the magazine of The Institution of Structural Engineers. Please contact [Stephen Patey](#) for further advice.



COMPANIES HOUSE DELAYS STRIKE OFFS

Companies House has [announced it has temporarily put on hold](#) voluntary and compulsory strike off processes for a month, from 21 January until 21 February 2021, as a result of reduced staffing levels from COVID-19 creating delays in processing the necessary documents and forms.

COVID-19 VAT DEFERMENT EXTENSION

Although we are still waiting for HMRC to launch its [new VAT deferred payment scheme](#), in respect of VAT originally deferred between 20 March and 30 June 2020, it is worth remembering this is coming if you are struggling to pay the deferred VAT by 31 March 2021. It will be an online opt in process which will allow you to make smaller monthly instalments, interest free, over between two and eleven months and with all instalments being paid by the end of March 2022. You must be up to date with your VAT returns in order to use the scheme.



AUTOMATIC FILING DATE EXTENSION ENDING

Included in the announcement from Companies House regarding postponing strike offs was a reminder that the automatic three-month extension for filing accounts ends on 5 April 2021. Companies will still be [able to apply for a three-month extension](#) for filing deadlines after 5 April 2021 and those that are eligible and cite issues around COVID-19 in their application will receive an automatic extension. However, companies that have already had their accounts deadline extended may not be eligible, as the law only allows a maximum filing period of 12 months.

VAT TREATMENT OF DIGITAL PUBLICATIONS

HMRC has won its appeal in the [News Corp VAT case in the Court of Appeal](#) regarding the VAT status of digital publications. Although HMRC lost at the Upper Tribunal case, it did not change its policy and so it remains that supplies of digital publications in the period before 1 May 2020 are standard rated. If you have made a protective claim, as a result of the Upper Tribunal case, it is likely that this will be rejected on the assumption that News Corp will not take the litigation further. Please contact [Kamlesh Chauhan](#) if you require assistance.



GUIDANCE FOR TRUST GUIDANCE

HMRC has [published an overview](#) regarding the new rules, introduced on 6 October 2020, concerning registering a trust and requesting information from the trust register from 6 October 2020 onwards. These rules extended the scope of the trust register to all UK and some non-UK trusts, whether or not the trust has to pay any tax, subject to some specific exclusions. However, trustees cannot register trusts until later in 2021 when the new Trust Registration Service is ready. The deadline for registration is 10 March 2022.

FCA BANS DISCRETIONARY COMMISSION FINANCE

Last summer the [Financial Conduct Authority \(FCA\)](#) [announced it was banning](#) the practice whereby car retailers and motor finance brokers received commission based upon the interest rate that customers paid. This ban became effective on 28 January 2021. The FCA's ban does not prevent commission being paid but its existence and how it affects the amount payable by the customer must be disclosed and the amount must be confirmed if the customer asks.



WATES COMMENTS ON IMPLEMENTATION OF HIS PRINCIPLES

Sir James Wates has [released a short article](#) on how the Wates Principles for large private companies has been implemented. He has seen a range of approaches and references several companies which have embraced the spirit of the principles. He also notes that there is a sense from the reports that companies do not fully embed purpose in their organisation and that reporting in this area sometimes lacks authenticity, instead feeling more like a marketing pitch.

HMRC UPDATES MONEY LAUNDERING SUPERVISION RULES

HMRC has [updated their guidance covering the money laundering supervision rules](#) for estate or letting agency businesses. In particular, the section covering when a business must register has been updated. You must register with HMRC before carrying on any activity as an estate agency business and pay the necessary fees.



HMRC DELAYS LATE PENALTY REGIME

[HMRC has said](#) that over 10.7m people submitted their 2019/20 Self Assessment (SA) tax return by the 31 January 2021 deadline, but estimates 1.8m taxpayers are now late. However, HMRC [will not charge a late filing penalty](#) provided the return is submitted online by 28 February, but late returns are treated as late for the purposes of enquiry windows and interest. Taxpayers should pay any outstanding balance, or arrange a payment plan, before 3 March 2021 to avoid a 5% late payment penalty.

HAYSMACINTYRE'S BREXIT SERIES

haysmacintyre's Brexit series will deliver first hand insight into all things Brexit, delivered by our team of specialists and a selection of industry experts.

Jeremy Thomson-Cook, Chief Economist at Equals Group, will kick off the series this Thursday 11 February at 11am with a live webinar covering: the impact of Brexit for UK PLCs; the likely reaction of the Bank of England; what the markets expect the Chancellor to do; how sterling will perform; and what it means for your global workforce.

To register, click [here](#).



AND FINALLY... SOME TAXING STATS

Although over 700,000 filed their tax returns on deadline day, being 31 January 2021, making it the busiest day for filing this tax season, over 96,000 individuals managed to file their 2019/20 return on 6 April 2020.

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