

E-NEWS

9 June 2020

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

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CJRS CHANGES ANNOUNCED

The Government has announced proposed changes to the Coronavirus Job Retention Scheme (CJRS) which includes closing the scheme to any employee who has not been furloughed for three weeks by 30 June; an employee therefore must be furloughed by 10 June in order to qualify. A number of changes to CJRS will happen after 1 July, including the ability to work part time and the gradual introduction of employers needing to pay national insurance and pension contributions. Further details, plus a timeline for the changes, are available on our [COVID-19 website](#). Further HMRC guidance is due on 12 June.



FUTURE FUND FAQs

The British Business Bank has [published a series of Frequently Asked Questions \(FAQs\)](#) providing guidance for potential investors in the Government's new Future Fund scheme. The guidance covers the tax implications of loans under the scheme, which is designed to help innovative and high-growth British businesses secure investment to assist them during the COVID-19 outbreak.

IASB ISSUES ACCOUNTING RELIEF FOR COVID-19 RENT CONCESSIONS

The International Accounting Standards Board (IASB) has [issued an amendment to IFRS 16, Leases](#), to make it easier to account for COVID-19 rent concessions by exempting lessees from being required to consider whether such rent concessions are lease modifications. The amendment is effective from 1 June 2020 but can be applied immediately to any financial statements not yet authorised for issue.



ICAEW ISSUES GOING CONCERN COVID-19 GUIDANCE

The Institute of Chartered Accountants in England and Wales (ICAEW) has [published going concern guidance to assist SMEs](#) in preparing their accounts which have been affected by COVID-19. The publication explains the importance of forecasting cash flow and how to reflect the impact of COVID-19. It provides a list of factors that may need considering and suggestions on how to work with auditors and accountants during the pandemic, including the need to provide evidence which shows that the conclusions the SME reaches regarding going concern are reasonable.

COVID-19 DELAYS REVERSE CHARGING

HMRC has announced that the [introduction of the domestic reverse charge](#) for construction services will be delayed by five months, from 1 October 2020 to 1 March 2021, due to the impact of COVID-19 on the construction sector. This is being introduced to reduce the scope for fraudsters stealing VAT revenues. A requirement will also be introduced that for businesses to be excluded from the reverse charge, because they are end users or intermediary suppliers, they must inform their sub-contractors in writing that they are end users or intermediary suppliers. Please contact [Phil Salmon](#) for further advice.



PAC TO INQUIRE INTO TAX RELIEF MANAGEMENT

The [Public Accounts Committee \(PAC\)](#) has announced [an inquiry](#) into tax expenditure, the tax reliefs on certain goods and activities, which cost an estimated £155 billion in foregone tax revenues. This follows a National Audit Office report in February that repeated its concerns on HMRC's and the Treasury's effectiveness in managing tax expenditure in the absence of a formal governance framework. The PAC is planning to question relevant officials later this month.

BEIS ISSUES FACTSHEETS ON INSOLVENCY AND GOVERNANCE BILL

The [Department for Business, Energy and Industrial Strategy \(BEIS\)](#) has [published](#) various factsheets relating to the recently introduced Corporate Insolvency and Governance Bill 2020, which makes provision for companies and other entities in financial difficulty. It also makes temporary changes to the law relating to the governance and regulation of companies and other entities.



ICAEW ISSUES PENSION SCHEME REPORTING GUIDANCE

The ICAEW has published [guidance to assist pension scheme auditors](#) to address the challenges arising from the COVID-19 pandemic, although it will also be useful to pension scheme trustees and account preparers. The guide covers a number of topics including: reporting responsibilities to The Pensions Regulator; going concern; the trustees' and chairman's statement, post balance sheet events; the auditor's statement regarding contributions; and accounting for scheme investments.

AND FINALLY... FCA PROGRESSES ITS BI TEST CASE

The [Financial Conduct Authority \(FCA\)](#) has [identified eight insurance companies](#) who will be asked to participate in its High Court case regarding the failure to pay out on certain business interruption (BI) policies as a result of COVID-19. The FCA have identified 17 policy wordings which capture the majority of the key issues potentially in dispute. The FCA hopes the Court hearing will take place in the second half of July.

haysmacintyre

haysmacintyre
10 Queen Street Place
London
EC4R 1AG

T 020 7969 5500

F 020 7969 5600

E marketing@haysmacintyre.com

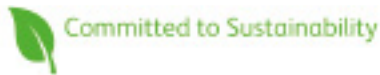
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