

eNews

17 AUGUST 2021

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

### TAX BASIS PERIOD REFORM FOR UNINCORPORATED BUSINESSES

In anticipation of Making Tax Digital in April 2023, HMRC is proposing to change the current rules as to how profits are allocated to a tax year. The [proposal is to replace the existing current year basis](#) for trading income with a new tax year basis, resulting in the profits earned in the tax year being taxable, whatever the accounting period end date. 2022-23 will be a transitional year and, unless the accounting period end date is 31 March or 5 April, additional profits will be taxable which may require cashflow planning. Please contact [Katharine Arthur](#) for further assistance.



### TELL HMRC IF YOU ARE UNSURE

[Draft legislation in Finance Bill 2021-22](#) reveals that large businesses will need to inform HMRC where they have adopted an uncertain tax treatment, as defined in the legislation. This is designed to improve HMRC's ability to identify uncertain tax treatments adopted by large businesses, to accelerate the point at which discussions on uncertain treatment can occur and to help reduce tax losses. Large businesses are those with a turnover exceeding £200 million per annum and/or have a balance sheet total exceeding £2 billion.

### ACCOUNTING STANDARDS REVIEW

As part of the next periodic review of UK and Ireland accounting standards, the Financial Reporting Council (FRC) is seeking views about the areas to be considered for review. This may include new issues or transactions that should be addressed, or comments or suggestions in relation to the current requirements. The [FRC is hosting a short webinar](#) to provide additional information about the review and the next steps it intends to take. Comments on the periodic review are requested by 31 October 2021.



## A BIT TOO TAXING?

The [Chartered Institute of Taxation \(CIOT\)](#) has called on the Government to create a more simplified tax system when responding to the Office of Tax Simplification's (OTS) call for evidence and for the OTS to be given an embedded role in the development of tax policy. In addition, the CIOT calls for: the Government to formally respond to all OTS reviews and recommendations and to indicate which ones they will take forward; the OTS to undertake post enactment reviews of new legislation; and to revisit earlier OTS recommendations which were not progressed to consider if they should be revised, revisited or dropped.

## LAB PUBLISHES REPORT ON STAKEHOLDER REPORTING

The Financial Reporting Lab (Lab) has published "[Reporting on stakeholders, decisions and Section 172](#)" which sets out what investors want to see and provides examples of good practice. The report is accompanied by a [summary of the questions for companies](#) to consider in determining what information to report on stakeholders and decisions which meets investors' needs.



## NMPA TO INCREASE TO 57

The Government has [confirmed that it will increase the normal minimum pension age \(NMPA\)](#) from 55 to 57 years in 2028. This is the age at which pension pots can be accessed tax free and will coincide with the rise in the state pension age to 67. The change to the rules will be introduced in the Finance Bill 2021-22 and there will also be some changes to the transfer rules.

## HMRC SPECIALIST UNIT CLOSED

[Minutes published by HMRC](#) have revealed it has closed its Family Investment Company Unit after finding no evidence of a correlation between the use of family investment companies (FIC) and non-compliant tax behaviour. The unit was set up in April 2019 to research the use of FICs, after an increase in their popularity, but those individuals seconded to the unit have now been transferred to the Wealth team.



## FIFTH SEISS OPEN

HMRC has opened online submissions for the fifth grant for [Self Employment Income Support Scheme](#) (SEISS) which can be claimed if your business profit will be impacted by coronavirus between 1 May 2021 and 30 September 2021. The application process for the grant will depend on details of two years of turnover and losses resulting from the pandemic. Claims must be made by 30 September 2021.

## AND FINALLY...ESCAPING THE LOCK?

The Chancellor, Rishi Sunak, has [not ruled out lifting the triple lock on pensions](#) in his response to a letter from the Treasury Committee, which asked for his stance on the matter. The triple lock sees the state pension rising each year by the higher of the Consumer Prices Index, the increase in average wages or 2.5%. It is expected that the Autumn spending statement will see a decision being made on the triple lock.

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



2021: Best auditor  
2020: Best outsourced  
finance service



Winner: Audit Team of the Year



Top 15 auditor to quoted companies in Adviser Ranking Listing



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