

E-NEWS

18 February 2020

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

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TERMINATION PAYMENTS AND NI LIABILITY

Following changes to the National Insurance legislation, any termination payments made in excess of £30,000 will attract class 1A National Insurance (NI) at 13.8%, as well as the income tax liability which is currently payable. The tax will need to be paid in real time for payroll purposes. If an employer is looking at a restructuring which may result in a reduction in 'head-count', consideration should be given to accelerating termination arrangements to before 6 April 2020 to save the NI charge. Please contact [Nick Bustin](#) if you require further advice.



FREEPORTS TO IMPROVE UK COMPETITIVENESS?

The [Government is consulting on plans](#) to create up to ten freeports across the UK, with tariff flexibility, customs facilitations and tax measures designed to encourage global trade and attract inward investment post-Brexit. The proposed freeports will have different customs rules to the rest of the country and are intended to act as national hubs for global trade and investment across the UK, while also promoting regeneration and job creation and providing hotbeds for innovation. The consultation will run until 20 April 2020.

BOUNCE IN BUSINESS CONFIDENCE

The latest [ICAEW Business Confidence Monitor](#) has revealed positive business confidence in Q1 2020 after reaching a decade low at the end of 2019. Improved confidence is partially attributed to the general election, but capital investment remains low due to continuing uncertainty. Growth in 2020 is expected to be subdued, despite the current bounce, and will not be helped with domestic sales and exports slowing. Concerns over the regulatory framework is the most commonly cited challenge. Whether separately or by publishing their annual report on their website.



OFF-PAYROLL CHANGES IN APRIL 2020

The Government has confirmed that the changes to the operation of the off-payroll working rules will only apply to payments made for services provided on, or after, 6 April 2020. They will not be applied to contract work which is currently ongoing, for example a six-month contract which started in December 2019. Engagers will need to maintain a record of when contracts began and, where possible, it may be advantageous to bring forward the commencement dates to before 6 April 2020. Please contact [Nick Bustin](#) for assistance with off payroll advice.

SUPER TROUPERS FOCUS ON TAX RELIEFS

The Academy Awards ceremony highlighted, once again, the strength of the British film and creative sectors which, in part, is supported by the [UK's creative industries' tax relief schemes](#). The team behind the film 1917 utilised creative arts tax reliefs to support their production. However, you do not have to be planning a Hollywood blockbuster to take advantage of film and TV tax credits and they can play a significant role in financing projects, large or small. If you would like to find out more about whether your creative project may qualify, please contact [Natasha Frangos](#) or [Sarah Wilson-Nolan](#).

ART MARKET COMES WITHIN THE MONEY LAUNDERING REGULATIONS

[HMRC has published guidance](#) to help the art market participants prevent money laundering and terrorist financing. Guidance on [registering as an art market participant](#) under the money laundering regulations has also been issued. The guidance, produced by the British Art Market, is designed to help art market participants meet their obligations for money laundering supervision, including customer due diligence, record keeping and reporting suspicious activity. Art market participants with a transaction, or series of transactions, of at least €10,000 came within the money laundering regulations on 10 January 2020.



GOODWILL AND IMPAIRMENT ACCOUNTING UNDER REVIEW

The season of goodwill maybe over, but this has not stopped the [IFRS Foundation announcing](#) that it expects to publish its discussion paper on its Goodwill and Impairment project in March 2020. It has been considering possible improvements to IFRS 3 Business Combinations and IAS 36 Impairment of Assets following feedback received from the post-implementation review of IFRS 3.

MILLION RETURNS STILL TO COME

[HMRC has announced](#) that, although 11.1 million taxpayers filed their 2018/19 self-assessment return by the 31 January 2020 deadline, it estimates that nearly one million taxpayers will be late in filing their returns. On the final day over 702,000 tax returns were filed with more than 26,000 arriving in the final hour. HMRC is urging taxpayers who missed the deadline to contact their tax office as soon as possible if they have genuine excuses for being late. Tax paid more than 30 days late will attract a 5% penalty. Please contact [Katharine Arthur](#) if you require assistance with your personal tax affairs.



CUSTOM SUPPORT GRANT EXTENDED

[HMRC has extended the deadline](#) to 31 January 2021 to apply for the Custom Support Grant, with at least £7.5 million left to claim. The grant can help fund recruitment, training and IT improvements to help traders meet their customs declaration requirements. Although there will be no change in how declarations are made during the transitional period to 31 December 2020, HMRC has confirmed that, from 1 January 2021, the current simplified procedures will not continue. It is recommended preparations for the new customs arrangements should begin as soon as possible. Please contact [Phil Salmon](#) for assistance with VAT issues.



BBBBC'S AIMS FOR BETTER BUILDINGS

The [Building Better, Building Beautiful Commission \(BBBBC\)](#) has issued a report advising the Government on how to promote and increase the use of high-quality design for new homes and neighbourhoods. The report proposes a new development framework which asks for beauty, refuses ugliness and promotes stewardship. It sets out eight priority reforms including: creating a predictable planning system; more democratic local engagement in planning; regenerating 'left behind' areas; creating places not just houses; re-green towns and cities; and promoting a wider understanding of place making. The report also calls for reductions in VAT for resuscitating derelict buildings and core improvements.

SIMPLIFIED TAX CLAIMS AND ELECTIONS

The Office of Tax Simplification (OTS) has announced that it will look at simplifying the tax claims and elections regime, together with the processes involved. Its review will look to establish indicators of the number and types of claims made to identify those which are more significant or used more frequently. The work will then look at how the administration of these claims and elections might be simplified. The OTS intends to publish its report in Autumn 2020.

AND FINALLY...AIRBUS LANDS A SKY-HIGH FINE

The [Serious Fraud Office](#) has agreed a fine and costs of almost €1 billion against Airbus in a Deferred Prosecution Agreement (DPA) on five counts of failing to prevent bribery. This follows an investigation into allegations that bribery was used to secure sales of civil and military aircraft. The corporate culture allowed Airbus' bribery prevention policies and procedures to be bypassed or breached. The settlement exceeds the total of all previous DPA settlements, which were introduced in 2013. Settlements with the French and US authorities mean Airbus' total fines exceed €3.5 billion.



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