

eNews
18 MAY 2021

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

ON OR OFFSIDE FOR SELF-EMPLOYMENT?

The long running string of IR35 challenges by HMRC against celebrities has continued with HMRC claiming over £4.9m in income tax and national insurance from Gary Lineker for his work with the BBC and BT Sport. HMRC is claiming that, notwithstanding Lineker's services having been engaged through his personal service company, Gary Lineker Media, he should have been taxed as if he was an employee. This is another case which highlights the current uncertainty of taxation surrounding disguised employees. Please contact our [Employment Tax](#) team if you require advice and assistance on IR35 or other employment tax issues.



OVER 13,000 LATE FILING PENALTIES ISSUED

HMRC has announced that it has issued over 13,000 late filing penalties of £100 each to landlords and second homeowners who missed the new 30-day tax window for paying Capital gains tax (CGT) in the last six months of 2020/21. The new law, introduced on 6 April 2020, means that many taxpayers must declare and pay any CGT due on disposal of UK property within a month of completion or face penalties. Please contact [Katharine Arthur](#) if you require assistance with your CGT affairs.

FUTURE PROPERTY TRENDS

With the end of the Government's advice to work at home possibly in sight, it was interesting to see in Knight Frank's recently published (Y)our Space report that 30% of their survey respondents thought their global portfolio would increase in the next three years. The 373 respondents cumulatively employed more than 10 million people. The balance was evenly split between those expecting a decrease in their portfolio and those expecting it to stay the same. However, nearly half of the respondents expected the quality of their space to increase in the same period. The full report can be found [here](#).



BLINDS IN CONSTRUCTION: A WINDOW OF OPPORTUNITY?

HMRC has [issued Brief 5 \(2021\)](#) in which it confirms that blinds are to be considered as building materials for the purposes of construction services and, accordingly, can be zero rated for VAT purposes when part of the construction of residential property. This change in status follows the [First-Tier Tribunal's \(FTT\) decision in Wickford Development Co Ltd](#) which found that the supply of window blinds should be zero rated. HMRC had claimed VAT was due. Please contact [Stephen Patey](#) if you require assistance with your VAT construction queries assistance with employment tax matters.

FRC PROPOSES EXTENDING RENT CONCESSION

The Financial Reporting Council (FRC) has issued an [Exposure Draft, FRED 78](#), to extend the accounting treatment under FRSs 102 and 105 of temporary rent concessions occurring as a result of COVID-19 by a year. FRED 78 applies to rent concessions that reduce lease payments originally due on or before 30 June 2022. FRED 78 is expected to be approved by the end of next month.



ADDITIONAL SUPPORT NEEDED FOR SUSTAINABILITY

A [survey of over 700 Institute of Directors members](#) has found over 80% believe it is important for their organisations to operate in an environmentally friendly and sustainable way. However less than a quarter felt they fully understood the way their organisation could lower its carbon footprint and meet net zero carbon goals. Nearly a third also felt that the costs of moving towards net zero goals were prohibitive.

AAT FINDS SUPPORT FOR EXTENDED REGULATION OF ACCOUNTANTS

The Association of Accounting Technicians (AAT) is campaigning for increased regulation of high street accountants and tax advisers where, it is thought, approximately two thirds are unregulated. At present anyone can call themselves an accountant or adviser and not be subject to any code of practice. AAT's [recent survey of MPs](#) found that, of the 103 MPs surveyed, 78% were in favour of introducing compulsory membership of a professional body for anyone offering paid-for tax and accountancy services. The survey comes in the wake of the Government's consultation on requiring unregulated accountants to hold professional indemnity insurance which the AAT considers, in isolation, to be inadequate.



CJRS FRAUD UNDER ATTACK

HMRC has announced that two individuals from West Yorkshire have been arrested under its investigation into a suspected £3.4 million Coronavirus Job Retention Scheme (CJRS) fraud. This is part of HMRC's strategy to combat fraud where COVID-19 support packages are considered to be one of the largest fraud risks. Guidance on what to do if you find you have overclaimed, or did not need the grant, can be found [here](#). Please contact our [Employment Tax](#) team if you require advice and assistance on the CJRS or related matters.

IMPROVED REMUNERATION REPORTING

[New research on behalf of the FRC](#), focused on the FTSE 350, has found companies are better aligning their Board remuneration policy and practices with long-term shareholder interests. The research found greater disclosure on: shareholder engagement and, to a lesser extent, the wider workforce; alignment with long term shareholder interests; and the provision and principles on remuneration policies. It also found that the revisions to the UK Corporate Governance Code in 2018 on directors' remuneration had improved disclosure practice.



AND FINALLY... CYBER THREATS INCREASING

Cybercrime has significantly increased during the pandemic with the National Cyber Security Centre ([NCSC](#)) [announcing that it has removed more scams from the internet](#) in the last year than in the previous three years combined. Possibly timely, the Institute of Directors has [issued ten simple tips](#), aimed at small businesses, to help protect against the increasing cyber threats.

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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



An eprivateclient top accountancy firm 2020