

## eNews 20 JULY 2021

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

### **HAYSMACINTYRE SPONSORS LCCI'S CAPITAL 500 SURVEY**

haysmacintyre is delighted to sponsor the London Chamber of Commerce and Industry's (LCCI) Capital 500 survey, the well-respected survey on the economic prospects of London's businesses. The [Q2 2021 report](#) was launched on 1 July and shows a strong rise in business confidence, albeit a number of the metrics remain in negative territory. This means more experienced a decline than an improvement in the last quarter in the area surveyed. Inflationary pressures were also detected which, if sustained, may prompt the Bank of England to increase interest rates.



### **SECOND PAYMENT ON ACCOUNT**

Last year the second self-assessment payments on account for taxpayers were suspended as part of the Chancellor's pandemic support. However, this year the second self-assessment payment on account for 2020-21 for individuals and trusts will be due on 31 July 2021. Please contact [Katharine Arthur](#) for assistance with your personal tax issues.

### **BUSINESS RATE REVIEW**

As part of its wider review of business rates, the [Treasury has issued a consultation document](#) on proposals to streamline the business rates system in England. It proposes to have revaluations of non-domestic property on a three, as opposed to the current five, year basis. The intention of the proposals is to have more accurate valuations which better reflect economic conditions as well as greater transparency about the way in which the rateable value has been determined.



## IN OR OUTSIDE OF IR35? PASS

[Data released by HMRC](#) shows that between 25 November 2019 and 31 May 2021 its Check Employment Status for Tax (CEST) tool, which provides guidance on whether a specific engagement should be classed as employed or self-employed, gave over one million outcomes. However, in nearly 20% of cases the outcome was undetermined. Although the outcomes will not represent individual cases for a number of reasons, it does illustrate the ongoing uncertainty in this area and HMRC has even argued in preliminary tribunals that CEST was irrelevant. Please contact our [employment tax team](#) if you require assistance in this area.

## HMRC'S TAX CONDITIONALITY ON LICENCES

HMRC has [announced that, with effect from April 2022, the renewal of licences](#) to drive taxis and private hire vehicles and dealing in scrap metal will only be given if the person applying has completed a tax check with HMRC. To be known as tax conditionality, it is part of the Government's strategy to clamp down on tax avoidance. HMRC says it will be a simple online process and will confirm the applicant is registered for tax and will probably be required once every three years. The Government is open to broadening the scheme if it is a success.



## NMW APPLIES ALL YEAR ROUND

With summer's temporary workforce expansion imminent, [HMRC has issued a reminder](#) that the National Minimum Wage (NMW) applies to temporary seasonal staff. The NMW is age dependent and ranges from £4.30 per hour for an apprentice through to £8.91 per hour for those aged 23 or over.

## CIPFA REVISES PRUDENTIAL CODE

The Chartered Institute of Public Finance and Accountancy (CIPFA) has confirmed that a strengthened Prudential Code will be published by the end of this year. The code is a professional code of practice that aims to ensure local authorities' financial plans are affordable, prudent and sustainable. The revision to the code follows a trend in the last five years of local authorities purchasing property for an investment return. The changes are designed to put safeguards in place so that local government bodies review any property investments and do not take risks with such investments.



## FRC SETS OUT ESG CHALLENGES

The Financial Reporting Council (FRC) has published the [FRC Statement of Intent on Environmental, Social and Governance \(ESG\) challenges](#). The paper sets out issues with reporting ESG information, how to address these and the FRC's planned activity in the area. The FRC believes improvements are required in the: internal information impacting decision making and insight; robustness of reported information; accessibility of information; use of information leading to better decision making; and information is appropriately monitored and enforced. The FRC is also looking at the co-ordination of regulation leading to efficiency in reporting.

## REVISED UK QUALITY MANAGEMENT STANDARDS

The FRC has [issued revised quality management standards](#) for an audit firm's responsibilities to design, implement and operate a system of quality management. These cover: management of firms that undertake audits or reviews of financial statements and related services; engagement quality reviews; and quality control of audits. The standards are effective for audits of financial statements for periods beginning on or after 15 December 2022 with early adoption being strongly encouraged.



## AND FINALLY... HMRC LAUNCH COVID-19 SUPPORT ENQUIRIES

HMRC has announced that it has opened over 12,000 enquiries into suspicious claims relating to the furlough, Self Employment Income Support Scheme and Eat Out To Help Out schemes. Please contact our [employment tax team](#) if you find you have made errors in past claims or require other assistance.

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Highly Commended Partner of the Year



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