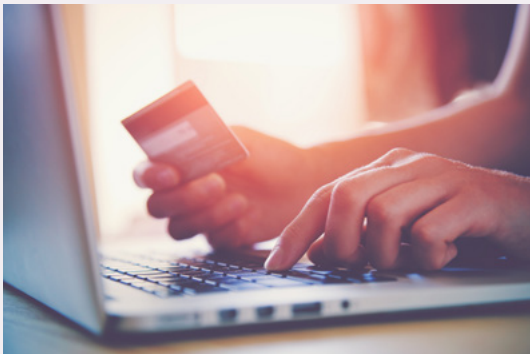


eNews 21 JULY 2020

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

SUMMER ECONOMIC UPDATE

The Chancellor delivered his Summer Economic Update earlier this month which was designed to support an economic recovery. The key measures announced included: confirmation that the furlough scheme will close at the end October; a 'kickstart' scheme to encourage employers to create new jobs for 18-24 year olds; a temporary increase in the Stamp Duty Land Tax threshold; a reduction in VAT, from 20% to 5%, for the hospitality and tourism sectors; and 'Eat out to Help Out' vouchers. haysmacintyre's comprehensive summary is available [here](#). Please contact [Katharine Arthur](#) for further assistance.



AUTOMATIC DEFERRAL OF 31 JULY TAX PAYMENT

HMRC is [reminding self-assessment \(SA\) taxpayers](#) that they can automatically defer their July 2020 payment on account. The second SA payment on account for 2019/20 is ordinarily due by 31 July 2020 but the Government had previously announced it is supporting the self-employed and others by allowing them to defer this payment.

CGT UNDER REVIEW

The [Chancellor has requested the Office of Tax Simplification](#) to undertake a review of the capital gains tax (CGT) regime and to make recommendations for its simplification. The review is expected to consider: the fundamentals of the regime, including rates, exemptions and reporting; aligning CGT rates (currently 10-28%) with income tax rates (up to 45%); the exemption for gains on main residences; and the uplift in base cost on death. Taxpayers with unrealised gains should consider planning for CGT and inheritance tax now, and certainly before the Autumn Budget. Please contact [Katharine Arthur](#) for further advice.



OPERATIONAL SEPARATION OF AUDIT PRACTICES

The Financial Reporting Council (FRC) has [published its principles for operational separation](#) of the Big 4 accountancy firms. The objective is to ensure audit practices are focused on high quality, not reliant on cross subsidisation and are free of influences from other parts of the firm. The FRC wants auditors to act in the public interest and for the benefit of shareholders and wider society and to encourage an ethical, open, professionally skeptical and challenging work environment. The FRC has asked for implementation plans to be submitted by 23 October 2020 with implementation by 30 June 2024 at the latest.

HMRC'S EATING OUT MENU

[HMRC has launched its website](#) to allow restaurants and other establishments serving food for on-premises consumption to sign up to the Government's 'Eat Out to Help Out' initiative which is aimed at protecting jobs in the hospitality industry and encouraging people to safely return to dining out. Restaurants, bars, cafes and other establishments who use the scheme will offer a 50% reduction, up to a maximum of £10 per person, to all diners who eat and/or drink-in every Monday to Wednesday throughout August.



COVID-19 NOT DEBILITATING FRAUDSTERS

Earlier in the pandemic the National Crime Agency (NCA) warned that criminals were using COVID-19 as an opportunity to scam the public and recommended the 'Stop, Challenge, Protect' approach. Stop: stop and think before parting with money or information. Challenge: could it be fake? Protect: contact your bank immediately if you think you have fallen for a scam. 'Smishing', where fraudsters impersonate an organisation, and 'spoofing', where a fake message is inserted into email or texts from legitimate organisations, have seen an increase. The need to maintain vigilance and skepticism is as important as ever in the current climate.

ANNUAL REPORT ON AUDITORS: MUST TRY HARDER

The FRC has [published its annual reports on its review findings](#) of the seven largest firms. Of the 88 audits reviewed it found only two thirds were either of a good standard or required limited improvement and the FRC expressed concern that the audit firms were not consistently achieving the necessary level of audit quality. The FRC is increasing its proactive supervision of the large audit firms and will prioritise areas for them to improve audit quality. The firms will be tasked with developing suitable actions plans and will be held accountable for their delivery.



AUDIT REFORM DELAY CRITICISED BY MPS

The [Business, Energy and Industrial Strategy \(BEIS\) Select Committee has criticised](#) the Government for delaying audit reforms, including delays in setting up the Audit, Reporting and Governance Authority (ARGA), the replacement to the FRC. The Committee's chair has said that with the recent audit scandals the Government needs to tackle the issue as a matter of priority. BEIS has said it will create ARGA "as soon as Parliamentary time allows" but no definitive date has been given for the introduction of primary legislation.

GUIDANCE FOR INTERNATIONAL TRADERS IN 2021 ISSUED

HMRC has [published information for traders on importing and exporting](#) goods between Great Britain and the EU after 1 January 2021. The guides are designed to assist traders to plan for the changes that will be necessary at the end of the Transition Period.



VOLUNTARY STRIKE OFFS TO RECOMMENCE

[Companies House has confirmed](#) that, from 10 September 2020, the process for companies that have applied for voluntary strike off will restart. This postponement measure was introduced in March 2020 in response to COVID-19. Companies House has confirmed that the compulsory sign off process is still paused but is being reviewed on a monthly basis.

HOME DELIVERY FROM COMPANIES HOUSE

Companies House has announced that it will, [on a temporary basis, send authentication codes](#) to home addresses of active officers in response to the restrictions created by COVID-19. Previously it would only send such codes to the registered office. In order to use the service you will need the company number and either have, or need to create, a Companies House account. You should only use this service if you know the officer has given Companies House their most recent home address but you are unable to see the address on the company's record.



AND FINALLY..... A ROSIER APPLE

In 2016 Apple was found by the European Commission to have received special tax treatment by the Irish Government and was instructed to pay Ireland €13 billion in back tax. Apple, supported by the Irish Government who claimed no state aid had been given, appealed the decision at the EU's General Court. Earlier this month the Court annulled the original decision deciding the Commission had not demonstrated, to the standard required, an advantage existed. It remains to be seen whether the Commission appeals the decision to the European Court of Justice.

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