

eNews

29 SEPTEMBER 2020

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

COMPANIES HOUSE CLAMPING DOWN ON FRAUD

[Companies House has announced](#) that it will introduce compulsory identity verification of directors before they can be appointed. This comes as part of the Government's drive to combat fraud and money laundering and will also extend to Persons with Significant Control and those filing information on a company's behalf. Companies House does not anticipate the checks will impact the time it takes to incorporate a company and is intending to develop a 24/7 digital verification process. The timeline for introduction is unknown, other than the Government is committing to introduce enacting legislation 'when Parliamentary time allows'.



WINTER ECONOMY PLAN REPLACES BUDGET

Although no date had been announced for the Autumn 2020 Budget, the Chancellor has cancelled it in the face of the increased COVID-19 infection rates and attendant restrictions, and instead unveiled a '[Winter Economy Plan](#)'. The announcement included extending the VAT cut to 5% for hospitality and tourism to 31 March 2021 and a Job Support Scheme (the Scheme) which it is proposed will run until 30 April 2021. Although employers will be able to claim under the Scheme from December 2020, further information is awaited on its practical workings. Please read haysmacintyre's summary of the Scheme [here](#).

GOING PHISHING?

HMRC has [updated its guidance on phishing e-mails](#) and bogus contact to include details of various COVID-19 orientated scams which encourage recipients to click on links or call telephone numbers. HMRC will never send notifications by email or text about tax rebates or refunds. HMRC asks for phishing text messages to be sent to 60599 (network charges may apply) or email phishing@hmrc.gov.uk before deleting it. We are also aware of fraudsters making threatening calls on the back of the deferred July 2020 tax payments. The threats have included arrest if the tax payments were not made immediately.



FURLOUGH FRAUD

HMRC's Chief Executive, Jim Harra, has told the Public Accounts Committee that up to £3.5 billion of furlough claims under the Coronavirus Job Retention Scheme may have been made fraudulently or in error. He also added that, whilst 27,000 'high risk' cases were being pursued, HMRC would not pursue employers who had made claims in error. If you have made an error in a furlough claim you must notify HMRC. Further details about notifying HMRC can be found [here](#) but, in any event, 20 October 2020 is the backstop date for making any corrections.

MUST DO BETTER ON REVENUE AND LEASES

The Financial Reporting Council (FRC) has published reviews into the reporting of [revenue](#) and [leases](#) which identify areas for improvement in reporting. The FRC is calling on companies to critically review their revenue disclosures to clearly explain how IFRS 15 has been applied and expects: clear descriptions of performance obligations and significant management judgements; consistency between the strategic report and the accounts; and details of how variable consideration is estimated. The FRC found good disclosure of the impact of IFRS 16 but, in future, expects: descriptions tailored to particular circumstances; detail of significant judgements; and sufficient detail to enable an understanding of the financial position and cash flows.



AN ACCOUNTANT'S BEHAVIOUR IS FOR LIFE

The Institute of Chartered Accountants in England and Wales (ICAEW) [has published an article](#) explaining how the expectations of professional conduct of chartered accountants extends beyond the office. This follows a rise in the number of complaints about members' behaviour and a misconception by some that personal conduct outside of work does not come under the same Code of Conduct as their professional work. Exclusion from the ICAEW can result from personal conduct and the following personal behaviour can result in sanctions: fighting; verbal abuse; bullying; disparaging blog comments; social media spats; and inappropriate behaviour at office parties.

ARRESTS FOR FURLOUGH FRAUD

As part of HMRC's drive against furlough fraud, an accountant and company director have been arrested on suspicion of being involved in a £70,000 furlough fraud. Both have been released under investigation and digital devices and business records have been seized.



FCA SUCCESS IN BUSINESS INTERRUPTION TEST CASE

The [High Court has found in favour](#) on most of the key arguments advanced for policyholders by the Financial Conduct Authority (FCA) in its test case to seek greater clarity regarding business interruption claims resulting from COVID-19. Insurers had been interpreting business interruption clauses differently, sometimes accepting liability, sometimes not. The FCA therefore selected a selection of representative sample policy wordings for testing before the Court. The Court found that the pandemic and the Government and public response were a single cause of the covered loss and that most of the disease clauses in the sample provided cover.

AND FINALLY... OBR STILL TO UNDERTAKE REVIEW OF FORECASTS

Despite cancelling the Autumn Budget, the Chancellor, Rishi Sunak, has asked the Office for Budget Responsibility (OBR) to prepare an economic and fiscal forecast to be published in mid to late November.

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Top 15 auditor to quoted companies in Adviser Ranking Listing



An privateclient top accountancy firm 2019