

E-NEWS

04 February 2020

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

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ENTREPRENEURS' RELIEF TO BE A BUDGET CASUALTY?

There is speculation that Entrepreneurs' Relief for Capital Gains Tax (CGT) may be abolished, or severely restricted, in the forthcoming Budget on 11 March 2020. This follows the 2019 Conservative Party manifesto and more recent political comments. The relief reduces the rate of CGT from 20% to 10% for gains of up to £10 million, on the disposal of a qualifying business or shares in private trading companies and can be worth up to £1 million for an individual. Please contact your normal haysmacintyre tax advisor or [Katharine Arthur](#) for advice on possibly securing the 10% rate for imminent disposals and those unlikely to complete before Budget Day.



INCREASED NATIONAL INSURANCE THRESHOLD

The Chancellor has [announced that the national insurance contribution](#) (NIC) threshold will increase to £9,500 in 2020/21. This increase will save the average worker about £104 per annum in NICs. Whilst the Government has said that other tax thresholds will rise with inflation for 2020/21, the upper NIC threshold will remain at £50,000. Please contact [Nick Bustin](#) for assistance with your employment tax issues. However, all businesses, who will now be supervised by HMRC, will need to register by 10 January 2021.

REMINDER: S172 REPORTING

[Section 172 of the Companies Act 2006](#) places a duty on directors when promoting their company to have regard for the benefit of stakeholders as a whole. [Legislation introduced in 2018](#), for periods beginning on or after 1 January 2019, added a new requirement for large companies to disclose in their strategic report how they have applied section 172 in practice. Therefore the year ended 31 December 2019 sees the first year end when large companies will need to make such disclosure. Unquoted large companies will also need to include this statement on their website, whether separately or by publishing their annual report on their website.



UK BUSINESS SEEKS A BUSINESS-FIT IMMIGRATION SYSTEM

Prior to the UK leaving the EU last Friday night, several leading business groups and trade associations, [including the CBI and IoD, wrote to the Home Secretary](#) offering to assist to make the new immigration system a success. The letter set out four key priorities: a minimum salary threshold that supports the economy and protects wages; flexibility for skilled workers in the points-based system; a temporary visa approach to support all sectors of the economy; and an amended sponsorship process. It stresses that the economy needs a simple, streamlined system that works for all business in the UK.

ADDITIONAL LOAN CHARGE GUIDANCE ISSUED

Following the Government's announcement at the end of last year that it was changing the loan charge so that, inter alia, it would not apply to disguised remuneration loans from before 9 December 2010, HMRC has issued further guidance on the operation of the charge. The guidance also explains options for spreading the loan balance and the impact of when the loan was originally made. This remains a complex area where professional guidance should be sought. Please contact [Katharine Arthur](#) for advice on the loan charge arising from disguised remuneration schemes.

FRC ISSUES NEW GLOSSARY OF DEFINITIONS

The Financial Reporting Council (FRC) has [issued a new glossary of terms](#) used in the ISAs (UK), the ISQC (UK) and the FRC's Ethical Standard. It is based on the International Auditing and Assurance Standards Board's glossary of terms.

TIME TO PAY ARRANGEMENTS GO ONLINE

HMRC has [introduced an online 'time to pay' arrangement facility](#) for taxpayers who are unable to meet their tax liability. Taxpayers will only be able to use the service having missed the payment deadline but, if the arrangement is agreed with HMRC, there will be no charge for any late payment penalties or surcharges from the time that the agreement is in place, provided the arrangement agreed is honoured.

WORKFORCE RELATED REPORTING

A [new report from the FRC's Financial Reporting Lab](#) (the Lab) has found that investors want improved reporting on workforce-related issues, such as working conditions, changing contractual arrangements and automation. In particular, the Lab's report found investors want to understand the workforce's composition, whether the Board sees its workforce as a strategic asset, how it maintains its value and mitigates risks. The report contains practical examples of how some companies have closed the gap to investors' needs and interests.



TRUST REGISTRATION

HMRC has launched a detailed technical consultation on extending the Trust Registration Service (TRS) to include the draft legislation and proposals on the types of express trusts that will be required to register, data collection and sharing, and penalties. The consultation will run until 21 February 2020. Please contact [Katharine Arthur](#) if you require assistance with your trust issues.



IASB CONSULTS ON IFRS FOR SMES

The [International Accounting Standards Board \(IASB\)](#) is consulting on how IFRS for SMEs should be updated and, in particular, whether it should be aligned with full IFRS. The consultation is open until 27 July 2020.

AND FINALLY.....A TAX RETURN FOR CHRISTMAS

Although 31 January 2020 saw the deadline pass for filing 2018/19 self assessment returns, HMRC has announced that 3,003 taxpayers filed their tax return on Christmas Day, with more than three times that number filing on Boxing Day. HMRC put it thus: ['we've been Santa lot of Elf Assessments'...](#)!

haysmacintyre

haysmacintyre
10 Queen Street Place
London
EC4R 1AG

T 020 7969 5500
F 020 7969 5600
E marketing@haysmacintyre.com

www.haysmacintyre.com
@haysmacintyre



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