

# E-NEWS

## 10 DECEMBER 2019

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

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### IR 35 TO BE REVIEWED?

Sajid Javid has confirmed that the Conservatives' manifest pledge to review all aspects of self-employment will include reviewing the proposed application of the IR 35 rules to the private sector from April 2020. HMRC believes that the proposed changes are likely to affect c170,000 individuals working through their own personal services company (PSC) and up to 60,000 organisations who engage with such PSCs. Please contact [Nick Bustin](#) if you require assistance with IR 35 matters.



### TEMPORARY PENSIONS TAX ARRANGEMENT FOR THE NHS

The Health Secretary has approved NHS England to make additional payments to clinicians who have used "scheme pays" to settle an annual allowance tax charge for 2019/20 so as to restore the reduction in their NHS pension benefits. Under [scheme pays rules](#), the individual's pension benefits must be reduced where the scheme settles an annual allowance charge, or an unauthorised payment charge will arise. This is a temporary measure and we await the outcome of the Government's [consultation and review of the tapered pensions annual allowance](#). Please contact [Katharine Arthur](#) for assistance with your personal tax affairs.

## SCHOOL HOLIDAY CAMPS MAYBE VAT EXEMPT

The First-Tier Tribunal judgement in the case of [RSR Sports Limited](#) has found that the provision of school holiday camps can qualify as being VAT exempt childcare. The holiday camps involved children taking part in sporting activities and HMRC's view was that this precluded them from coming within the exemption. HMRC had succeeded with their argument in two earlier Tribunal cases so it will be interesting to see whether they try to appeal to the Upper Tribunal to create a binding precedent. Please contact [Phil Salmon](#) for further information and assistance with VAT.



## FCA BANS SPECULATIVE MINI-BONDS TO RETAIL CONSUMERS

The Financial Conduct Authority (FCA) has [announced that it will ban the mass marketing of speculative mini-bonds](#) to retail consumers under its product intervention powers. The restriction begins on 1 January 2020 and will last 12 months while the FCA consults on making the rule permanent. The restriction follows FCA concerns that mini-bonds were being promoted to retail investors who did not possess the appropriate experience to evaluate the risks involved. Under the restriction, firms will only be able to promote unlisted speculative mini-bonds to sophisticated and high net worth individuals.

## CALL TO REMOVE NEED TO REPORT LOAN CHARGE

The [Low Income Tax Reform Group \(LITRG\)](#) has called on HMRC to remove the requirement for those in the loan charge settlement process to file a tax return by 31 January 2020 to report the charge. HMRC has recently issued guidance stating that taxpayers will need to report the loan charge by 31 January 2020 if settlement has not been reached by then. LITRG suggest that removing the filing requirement will reduce the risk of taxpayers, particularly those not represented, making mistakes as well as avoiding, potentially, unnecessary effort. Please contact [Katharine Arthur](#) for assistance with the loan charge.



## HMRC UPDATES CEST

HMRC has recently released its updated version of their [Check of Employment Status Tool](#) (CEST). HMRC claims the new version takes into account a wider range of facts which need to be considered when determining a worker's employment status. It is hoped the new CEST will be clearer and reduce user error. HMRC has also confirmed that they will stand by the results given by their updated tool. However, this is on the proviso the information entered is accurate and it is used in accordance with their [guidance](#). Please contact [Nick Bustin](#) if you require assistance with employment status issues. promote unlisted speculative minibonds to sophisticated and high net worth individuals. Protection Regulation (GDPR) in retaining such records.

## FRC ISSUES NEW STANDARD FOR CASS AUDITORS

The Financial Reporting Council (FRC) has issued a [revised standard for the audit of client assets](#) (the Standard). The Standard establishes requirements and provides guidance for Client Asset Assurance Standard (CASS) auditors when reporting to the FCA. It replaces the previous standard that was issued in November 2015 and is effective for reports to the FCA for client assets in respect of periods beginning on or after 1 January 2020.



## AND FINALLY... HAPPY CHRISTMAS

We would like to wish all our readers a very happy Christmas and a peaceful, healthy and prosperous 2020 and to thank you for your support during 2019.



# haysmacintyre

haysmacintyre  
10 Queen Street Place  
London  
EC4R 1AG

T 020 7969 5500

F 020 7969 5600

E [marketing@haysmacintyre.com](mailto:marketing@haysmacintyre.com)

[www.haysmacintyre.com](http://www.haysmacintyre.com)

@haysmacintyre

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