

eNews

28 SEPTEMBER 2021

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

HOUSE OF LORDS CONSULTING ON TAX REFORMS

The [House of Lords Finance Bill Sub-Committee](#) has announced it will consult on the proposals to amend the income tax basis and the notification of uncertain tax treatments which are proposed in the draft Finance Bill 2021-22. The sub-committee is interested in hearing if the proposed basis reform timetable is manageable, as well as exploring whether the alternatives put forward would be better. In addition, the sub-committee wants to hear whether there is enough support being given to businesses to comply with the notification requirements.



MTD DELAYED BY A YEAR

[HMRC has announced](#) that businesses will have an extra year to prepare for the digitalisation of income tax. Making Tax Digital (MTD) for Income Tax Self-Assessment (ITSA) will now be introduced from 6 April 2024, a year later than originally planned. The delay for ITSA is intended to give those affected more time to prepare and for HMRC to deliver a robust service, as well as additional time for customer testing in the pilot. MTD for ITSA will be mandatory for businesses and landlords with a business income over £10,000 per annum in 2024/25. Please contact [Katharine Arthur](#) for assistance.

ECL LEGISLATION CONSULTATION LAUNCHED

The Government has [announced a consultation on the draft legislation](#) which introduces the Economic Crime (Anti-Money Laundering) Levy (ECL). This will be payable by AML regulated entities with UK revenue exceeding £10.2 million with effect from April 2023. The ECL will be used to fund AML reforms and to tackle economic crime. Although the final levy amounts have not been confirmed, the Government has indicated that the charge will range from £5,000 to £15,000 for medium businesses (with revenue between £10.2m and £36m), £30,000 to £50,000 for large businesses (£36m-£1bn) and £150,000 to £250,000 for very large businesses (£1billion plus).



FRC NAMES COMPANIES REVIEWED

The Financial Reporting Council (FRC) has [published a list of companies whose reports and accounts](#) have been subject to a closed review by its Corporate Reporting Review function. The Government's consultation earlier this year on [Restoring trust in audit and corporate governance](#), included a proposal to give the regulator a statutory power to publish its findings of the individual reviews. Prior to this power being implemented, the FRC has included case summaries of the nature of the review where the company has given its consent.

EXTRA TIME ADDED FOR REFEREES

The [Court of Appeal has decided](#) that both the First Tier Tribunal (FTT) and Upper Tribunal erred in their interpretation of the case involving Professional Game Match Officials Limited (PGMOL). PGMOL had claimed that 60 part-time referees were engaged under contracts of service, or were self-employed, for income tax and national insurance purposes, but HMRC had claimed nearly £600,000 in back tax. The decision paves the way for a new hearing by the FTT as the Court of Appeal ruled it must reconsider the case. Please contact our [employment tax team](#) if you require assistance with employment tax matters.



LONDON TO REMAIN A TOP FINANCIAL CENTRE

[Lloyds Bank's Financial Institutions Sentiment Survey 2021](#), which surveyed over 100 banks, asset managers and insurers found that 69% believe that London will remain one of the world's leading financial services hubs despite having taken a knock after Brexit. Although 71% thought a UK/EU equivalence deal would be secured, 42% thought this would not be before 2023 at the earliest; 29% thought it would never happen. Nearly a half of respondents considered a deal was important for their business.

FRC'S FINDINGS ON VIABILITY AND GOING CONCERN DISCLOSURES

The FRC has [published a review of its findings](#) following its review of companies' viability and going concern disclosures in which it explains areas for improvement. The FRC considers clear and comprehensive disclosures in these areas to be particularly important in the wake of COVID-19 which has created greater uncertainty for some companies. The FRC found that the disclosure of inputs and assumptions in forecasts, supporting the viability and going concern assessments, was often insufficiently qualitative and quantitative and significant judgements were not adequately explained or identified.



AND FINALLY... MIND THE GAP

HMRC has [reported that the tax gap](#), the difference between the total amount of tax expected to be paid and the amount actually paid, for 2019–20 was 5.3%. This represents a shortfall of £35 billion and compares to 5%, or £33 billion, in 2018-19. The largest gap was attributed to income tax, national insurance contributions and capital gains tax at £12.6 billion, with VAT 'missing' £12.3 billion.

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](https://twitter.com/haysmacintyre)



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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



2021: Best auditor
2020: Best outsourced
finance service



Winner: Audit Team of the Year



Top 15 auditor to quoted companies in Adviser Ranking Listing



An eprivateclient top accountancy firm 2020