

# E-NEWS

## 29 October 2019

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

### CAR FINANCE COMMISSION TO CHANGE

The [Financial Conduct Authority \(FCA\) has announced plans](#) to amend the way in which some car retailers and finance brokers receive commission for arranging car finance. This follows an investigation by the FCA which found sellers earned staged commission according to the interest rate at which they sold a car, with greater bonuses on offer for charging customers more, which was not in the consumer's interest. The FCA is proposing a fixed commission fee and greater transparency on all types of loan commission. A consultation on the new rules will be open until 15 January 2020.



### GOVERNMENT BACKS DOWN ON PROBATE FEES INCREASE

The long-running threat of significant increases in the cost of applying for probate appears to have receded after the Government withdrew its plans. The changes would have seen the flat rate of £215 for a probate application replaced with a cost structure based on the size of the estate, with larger estates paying up to £6,000. Mark Pattenden, Tax Partner, welcomed the move, commenting: "this was a stealth tax rise which would have hit families and beneficiaries at a vulnerable time". If you would like to speak to someone about inheritance tax or estates, please email [Mark Pattenden](#) or your usual haysmacintyre contact.

## AUDIT FINES ON THE INCREASE

[Research by Thomson Reuters](#) has revealed that fines issued by the FRC to audit firms increased by 44%, to £24.3 million, in the year ended 30 September 2019 compared to the previous year. This increase is seen as reflecting a much tougher regulatory regime as the Audit Reporting and Governing Authority replaces the FRC and the collapse of a number of high profile listed companies.

## MAKING TAX DIGITAL FOR VAT

Making Tax Digital (MTD) was originally supposed to come in for all mandatory VAT registered entities for VAT return periods beginning on or after 1 April 2019. However, due to various complexities and other issues, including Brexit, it was delayed for certain categories of entity until return periods beginning on or after 1 October. That date is now past, and so MTD for VAT now applies to all organisations and for the deferred entities they will be required to submit their October-December, November-January or December-February returns in line with the MTD



## LEASES IN THE SPOTLIGHT

The [European Securities and Markets Authority \(ESMA\)](#) has outlined the common enforcement priorities for regulators reviewing 2019 annual financial reports. One of ESMA's priorities will be the application of IFRS 16, leases, and how companies have exercised their judgement, particularly determining the lease term and the discount rate. Although the UK maybe out of Europe in the next few months, it is likely that the UK regulators will be influenced by this announcement. Other areas of focus include IFRS 9, Financial Instruments, IFRS 15, Revenue, and issues relating to IAS 12 Income Taxes.



## SCOTTISH TO TAX PLASTIC CUPS

The Scottish Government has announced that it will introduce a tax on disposable cups in the next stage of the battle against single use plastic. Following the relative success of the plastic bag tax, which has seen an 85% reduction in use since it was introduced in 2015, the Scottish Government plans to use the tax system to change the behaviour of takeaway coffee drinkers and encourage reusable alternatives. The cost could be up to 25p per cup. If the initial results are positive, it is expected the tax will be introduced across the UK.

## WARMING UP ON CLIMATE REPORTING

The FRC's Financial Reporting Lab (the Lab) has issued [Climate-related corporate reporting](#), which has found a gap between current reporting and the expectations of investors on climate reporting. The Lab recognises that the area is quickly evolving and recommends companies use the [Task Force on Climate-related Financial Disclosures](#) (TCFD). The UK Government expects all listed companies and large asset owners to make disclosures in line with the TCFD recommendations by 2022.

## AND FINALLY... LESS THAN 100 DAYS TO GO

Although 31 October 2019 is the deadline for filing paper returns with HMRC, online tax returns, together with any tax due, need to be made by 31 January 2020. [HMRC is encouraging taxpayers](#) to avoid the last minute rush by completing their tax returns in good time. HMRC says over 2,000 taxpayers sent their returns in on 25 December 2018. Taxpayers liable for the High Income Child Benefit Charge may also need to file a tax return before the deadline. Please contact [Katharine Arthur](#) if you require assistance with your personal tax affairs.requirements.

# 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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