haysmacintyre

eNews
25 JANUARY 2022

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

LCCI issues its Q4 Capital 500 survey

Earlier this month the London Chamber of Commerce and Industry (LCCI) released its latest Capital 500 survey, covering October - December 2021. Overall, the results, based on a survey of 503 London business leaders, showed a deterioration in optimism compared to the previous quarter. In particular, 38% of respondents expected the economy to worsen in the coming year with particular concerns surrounding cost increases; 64% reported an increase in fuel and energy costs. Although the survey was carried out as the Omricon variant developed, 69% of larger businesses were actively hiring.

Congratulations to Katharine Arthur

We are delighted to announce that Katharine Arthur's expertise has been recognised by being ranked in the 2022 eprivateclient 50 Most Influential listing for her expertise in Inheritance Tax and estate planning, as well as UK and offshore trusts. Katharine is our Head of Private Client and advises individuals, businesses and trusts on all aspects of their tax compliance responsibilities and advisory requirements.

Consultation on 15% minimum Corporation Tax

The Government has started a consultation on how to implement the worldwide 15% minimum Corporation Tax in the UK following the agreement of over 130 countries to a new global minimum tax framework in October 2021. It is intended that large multinational firms will pay tax of, at least,15% on the profits locally generated in order to create a more level playing field and to crack down on tax avoidance. The consultation covers a number of areas including who the rules will apply to and how they should report and pay.

Government announces IT funding support

The Government has announced a scheme for small businesses to access funding of up to £5,000 towards approved software which provides digital accounting and customer relationship management solutions. The Help to Grow: Digital funding is capped at 50% of the total cost of the investment and is open to businesses with 249 employees or less. As part of the scheme the Government is offering free, impartial advice and guidance about what digital technology is best suited to your business and how it can boost your business' performance.

LIBOR changes

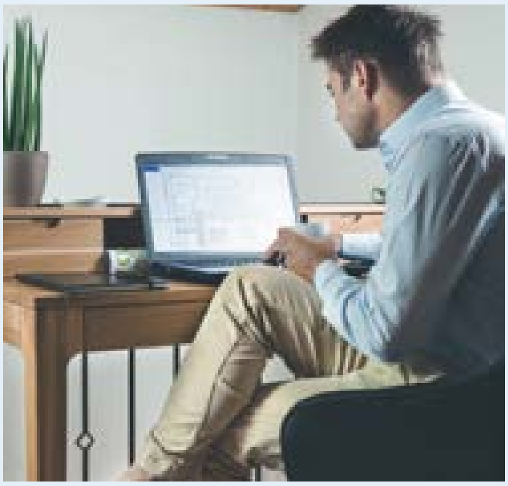
The Financial Conduct Authority (FCA) has announced that, following the cessation of the publication of certain London Inter-Bank Offered Rate (LIBOR) setting, certain LIBOR settings are now to be calculated in a synthetic way which does not rely on submissions from panel banks. The FCA's notice also reminds market participants that synthetic yen LIBOR will cease at the end of 2022 and that there is no guarantee that synthetic sterling LIBOR will continue beyond the end of 2022 and encourages firms to transition away from its use.

VAT penalty regime

HMRC was due to implement the reform of the current default surcharge penalty regime for the late submission and late payment of VAT returns on 1 April 2022. However, on 13 January 2022, the Financial Secretary to the Treasury announced that the changes will now be introduced 9 months later, on 1 January 2023. This additional time will hopefully allow HMRC to ensure that its new systems are effective and robust enough to deal with the reformed penalty regimes. If you would like more information about the new VAT penalty regimes to be implemented, please contact your usual haysmacintyre advisor or Stephen Patey, Senior VAT Manager.

IoD publishes ESG policy paper

The Institute of Directors (IoD) has published a policy paper, ESG Priorities for UK Companies 2022, which sets out a number of environmental, social and governance (ESG) issues that should be considered by organisations. The five themes identified in the paper are: stakeholders and business purpose; sustainability; inclusion and diversity; governance; and executive remuneration. The IoD considers a strong ESG profile is attractive to investors and helps enhance the organisation's brand whilst a weak ESG performance is a red flag and could be indicative of poor alignment with the wider interests of society.



FSB finds small firms under pressure

The latest Small Business Index (SBI) undertaken by the Federation of Small Businesses (FSB) has found that nearly a third of its 1,271 respondents had been impacted by slow payment in recent months. With late payments increasing during the last three months, 8% of respondents said it was now threatening their business viability. The SBI also found that 78% said costs were rising, the highest proportion for seven years, with inputs, fuel and utilities being the three areas of greatest concern. It also found the majority of exporters reported flat, or falling, international sales as the full import checks took effect.

FRC publishes its three-year plan

The Financial Reporting Council (FRC) has published its three year plan and budget which covers the period during which it expects to transition to the Audit, Reporting and Governance Authority (ARGA). The plan envisages expansion in its capacity to adapt to its likely new powers and responsibilities. The FRC's budgeted costs are projected to increase from 2021/22's £51.5m to £60.6m in 2022/23, with £8.0m of which being related to staff costs as it recruits more staff. The FRC is proposing a 3% increase in the preparers' levy which will now start at £1,608.

UKEB consults on 2022/23 priorities

The UK Endorsement Board (UKEB) has published Regulatory Strategy 2022/23 in which it consults on its priorities and research plan. The UKEB will focus on the International Accounting Standards Board's (IASB) agenda to ensure the timely adoption of new accounting standards in the UK. The paper also reveals that it intends undertaking bespoke research projects, including on goodwill, intangible assets and reporting climate-related matters in financial statements during 2022/23. The UKEB intends to take a principles-based, proactive and pragmatic approach to influencing the IASB and other global players to help develop high-quality international financial reporting standards. The consultation closes on 1 March 2022.

HMRC turns to private sector to assist debt recovery

HMRC's CEO, Jim Harra, has stated to the Public Accounts Committee that the increased use of private sector debt collectors has made it easier to cope with a staff shortage at HMRC and this will continue be an important tool in reducing the UK's current tax debt in the future. It was also disclosed that HMRC has been paying for data, such as personal credit standings, to help in setting up Time to Pay Arrangements. HMRC also plans to centralise its debt data, including data from other government departments, in order to make more targeted decisions when it comes to chasing taxpayers who are in default. This might entail sending out HMRC representatives more quickly when it has been found letters are ignored until someone visits.

And finally… £1billion and counting

HMRC has announced that its Fraud Investigation Service has now recovered over £1billion from the proceeds of crime and tax offenders since its establishment in April 2016. Seizures include £750,000 in gold bars in a lunchbox and £48,000 hidden amongst frozen chicken nuggets as well as a £1.7million confiscation order on a payroll fraudster and £840,000 in cash from a residential garage.

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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