

eNews

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

## Chancellor's Spring Forecast

Tomorrow the Chancellor is scheduled to deliver his Spring Forecast. Whilst we do not expect a Spring Budget, the Forecast is taking place days before increases to both National Insurance and the dividend tax rate. The Forecast is not expected to include any significant tax changes, but there have been many calls for a reduction to fuel duty and a delay to the National Insurance increase. We do expect some insight into the health of the economy and spending plans, at this difficult time. Please contact [Katharine Arthur](#), Head of Private Client, for assistance with your personal tax matters.



## Economic Crime Act passed

Following an accelerated passage through Parliament, the [Economic Crime \(Transparency and Enforcement\) Act \(the Act\)](#) received Royal Assent on 15 March. Apart from facilitating government action against oligarchs, the Act will introduce a Register of Overseas Entities which will require those behind foreign companies which own UK property to reveal their identities. The Act also strengthens the Unexplained Wealth Orders (UWO) regime by reducing the benchmark for the granting of a UWO, allowing responsible officers of a company to receive a UWO and allowing enforcement authorities to apply for interim freezing orders.

## Second homes tax loophole closure reminder

From April 2023, [owners of second homes in England](#) who claim it is available to let will no longer be eligible to pay business rates, rather than council tax, unless the property is actually rented out as a self-catering holiday let for at least 70 days a year. The property must also be available to be rented out for 140 days a year to qualify. Owners will have to provide evidence of letting activity, such as a website or brochure used to advertise the property, letting details and receipts. Please contact [Katharine Arthur](#), Head of Private Client, if you require advice on your personal tax.



## Money laundering 'blockbuster' released

HMRC and the Institute of Chartered Accountants in England and Wales (ICAEW) have combined to release a short film, [All Too Familiar](#), to highlight the ease by which accountants and businesses can be unwittingly entrapped in assisting money launderers. It explores how trust in personal and professional relationships can be misplaced. The film is available to all ICAEW and HMRC supervised firms and insolvency practitioners without charge.

## Drop in number of M&A deals

Data released by the [Office of National Statistics](#) has shown a decline in the number of merger and acquisition (M&A) deals, of £1 million or more, in the last quarter of 2021. December 2021 had 77 deals compared to 200 in October and 144 in November 2021, giving a total for Q4 of 421 completed transactions. This compared to 490 in Q3 2021 and 432 in Q4 2020. However, domestic M&A activity in Q4 2021 was valued at £2.9 billion compared to £2.3 billion in the previous quarter.



## The increasing tax burden

Research [issued by the Institute of Fiscal Studies](#) (IFS) has found that, as a result of higher inflation than forecast, the Treasury is predicted to raise an extra £12.5 billion from the freezing of tax thresholds announced last March. The IFS also calculate the tax rises announced, so far, under the Johnson administration will be worth 2% of GDP, an increase that Blair and Brown took ten years to do. Margaret Thatcher was the last Prime Minister to oversee a fall in the tax take as a share of GDP whilst in office.

## Financial regulators issue statement on sanctions

[The UK financial regulatory authorities](#) have issued a joint statement reiterating that all UK financial services firms, including the cryptoasset sector, are expected to play their part in ensuring that sanctions are complied with following Russia's invasion of Ukraine. The statement warns that financial sanctions regulations do not differentiate between cryptoassets and other forms of assets, and advise firms concerned about sanctions evasion to consider their obligations to report to the UK Financial Intelligence Unit (UKFIU). The statement also sets out several steps and processes that firms should consider undertaking.



## **UKEB seeks participants to review goodwill accounting**

The UK Endorsement Board (UKEB) is undertaking a [research](#) project to consider the impact of potential changes to the subsequent measurement of goodwill under International Accounting Standards. This will also inform the International Accounting Standard Board's deliberations around goodwill and impairment. As part of the project the UKEB is seeking volunteers to participate in the field-testing phase during March and April 2022.

## **CIIA calls for more effort on improving culture**

The [Chartered Institute for Internal Auditors](#) (CIIA) has called on the Financial Reporting Council (FRC) to increase its efforts to ensure directors take corporate culture more seriously. The CIIA is calling for the next revision of the UK's Corporate Governance Code to place greater emphasis on the role of the board in terms of monitoring and assessing the corporate culture. Although the CIIA's survey found 65% of senior internal audit executives believe that the FRC should strengthen the UK's Corporate Governance Code, the FRC believes the Code is already clear on the Board's responsibilities.



## **And finally... be on your guard**

[HMRC is warning Self-Assessment taxpayers](#) to be on their guard following the Self-Assessment deadline after more than 570,000 scams were reported to HMRC in the last year. HMRC believes taxpayers are particularly vulnerable at this time of year when HMRC are more likely to be communicating on refunds. In the 12 months to January 2022, nearly 220,000 scams were reported to HMRC which offered bogus tax rebates.

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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 2021