

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

LCCI finds a cautious outlook

Last month, the London Chamber of Commerce and Industry (LCCI) published its [latest Quarterly Economic Survey](#), sponsored by haysmacintyre, which found caution within its respondents. Most London businesses were seeing rising cost pressures, with inflation a chief concern for firms heading into the summer. Further concern was found with domestic sales and orders little changed and demand from overseas not showing any significant improvement. For most London firms, cashflow had not recovered and there was a muted pick-up in business confidence.



Remuneration trust tax avoidance settlement

HMRC has announced a [settlement opportunity for companies or individuals](#) who have used certain tax avoidance schemes involving remuneration trusts. The settlement opportunity will be open for applications until 31 July 2022 but is only for individuals or companies whose scheme meets certain criteria which are set out in the settlement terms which HMRC has published. We strongly advise taxpayers considering taking advantage of the settlement opportunity to take professional advice first. Please contact [Danielle Ford](#), Head of Tax Disputes and Resolutions, for assistance.

Challenged or challenger?

[A review by the Financial Conduct Authority \(FCA\)](#) has found that challenger banks need to improve how they assess financial crime risk, with some failing to adequately check their customers' income and occupation. Some challenger banks were also found not to have financial crime risk assessments in place for their customers. However, the review also found evidence of good practice such as the innovative use of technology to quickly identify and verify customers.



IR35: HMRC 1 Taxpayer 0 but still playing

Two recent IR35 cases, involving [Kaye Adams](#) and [Paul Hawksbee](#), show the continuing complexity of the IR35 legislation and how easy it is to get it wrong. HMRC won the case against Mr Hawksbee but its appeal at the Court of Appeal against Ms Adam's has resulted in it being sent back to a lower tribunal with the Court of Appeal deciding neither the First, nor Upper, Tier Tribunal had properly heard the case. Errors can be costly so a robust contractor engagement process is imperative to ensure that you remain compliant. Please contact our [Employment Tax team](#) if you have any questions or require assistance.

FRC publishes an audit firm Governance Code

The Financial Reporting Council (FRC) has published its new [Audit Firm Governance Code](#) (the Code). Although the Code is voluntary, it expects all firms who audit 20 or more public interest entities (PIEs) or one or more FTSE 350 companies to apply it. The Code will apply on a comply or explain basis. It separates the roles of the chair and senior partner/chief executive, clarifies the role played by partnership boards in holding management to account and introduces criteria for board composition. It also requires a clear distinction between a firm's governance structure and executive management with no one individual having unfettered powers.



Lords criticise IR35

The [House of Lords Grand Committee debate](#) on the 2020 off-payroll working report has heavily criticised the Government's approach to IR35 stating that the system is 'uncompetitive, complex, burdensome and unfair'. The Lords' Finance Bill Sub-Committee's report, *Off-payroll Working: Treating People*, concluded that off-payroll working should be fair, certain, simple, supportive of growth, administratively straightforward, enforceable and fair. The Committee concluded IR35 fails on all of these counts and is calling on the Government to prioritise introducing a system which is widely accepted, efficient and fair.

FRC finds shortfalls in slavery reporting

Research commissioned by the FRC has found that businesses are lacking detail in their modern slavery statements and annual reports to allow shareholders and other stakeholders to make informed decisions. Businesses with turnover of at least £36m are required to write an annual statement, setting out the steps that they are taking to address the risk of slavery in their operations and supply chains. The analysis of 100 major companies found that one in ten did not provide the mandatory modern slavery statement.



FRC consults on audit firm registration

The FRC is consulting on taking over the registration of auditors of PIEs from the current recognised supervisory bodies, such as Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants of Scotland and the Association of Chartered Certified Accountants and to extend its powers to strike off audit firms. Although the consultation is open until 26 May 2022, the FRC expects that the new registration process will be implemented in September 2022. By directly registering audit firms, the FRC believes it will be in a stronger position to act when it identifies systemic issues in audit, including imposing conditions, suspensions and, where required, removing audit registration.

UK Trust Register

The Trust Registration Service (TRS) is a register of beneficial ownership under trust arrangements. The requirement to register trusts started in 2017 and its scope widened considerably on 6 October 2020. These latest changes are likely to bring many more UK trust arrangements within the scope of TRS. Please contact Stephanie Parker, Trust Director, for further information and assistance.



And finally... UKEB makes first adoption

The UK Endorsement Board (UKEB) has announced its first adoption decision since receiving its powers in May 2021. The adoption was of the International Accounting Standards Boards (IASB) May 2020 amendments and included three annual improvements and three narrow-scope amendments. The amendments are effective for annual periods beginning on, or after, 1 January 2022, with early application being permitted.

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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