

eNews  
24 MAY 2022

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

## Points mean penalties

HMRC has [issued its guidance](#) to the new penalty and interest regime that will apply for VAT returns from 1 January 2023 which replaces the current default surcharge system. Points will accrue when a VAT return is late which will result in a £200 penalty once a penalty threshold has been reached. Interest on late paid VAT will attract an interest rate depending on how late the payment is made. HMRC has stated that they will not be charging late payment penalties in the first year if paid in full within 30 days of the due date. Please contact [Stephen Patey](#), Senior VAT Manager, for assistance with VAT matters.



## Accountants to be banned from Russian work

The [Government has announced](#) a ban on accountants, management consultants and public relation firms from working with businesses based in Russia. Consultation is currently occurring as to how this can be effectively implemented before draft statute is issued for Parliamentary approval.

## Increase in tax interest charge

Following the further increase in Bank Rate to 1%, [HMRC has announced](#) that the interest rate on late tax payments will increase by 0.25%, to 3.5%, with effect from 24 May 2022. Interest on underpaid quarterly instalment Corporation Tax payments rose to 2% from 16 May 2022, up from 1.75%, and interest on overpaid quarterly instalment payments and on early payments of Corporation Tax not due by instalments rose to 0.75%, up from 0.5%. The repayment interest rate remains unchanged at 0.5%.



## Capital allowance regime under review

The [Treasury is seeking views on potential reforms](#) to the UK's capital allowance regime to see how it can best support businesses ahead of the Budget later this year. The Spring Statement set out a number of options including: permanently increasing the level of the Annual Investment Allowance; increasing the rates of Writing Down Allowances; introducing general First-Year Allowances (FYAs) on qualifying plant and machinery; introducing an additional FYA; and full expensing. Responses are required by 1 July 2022 and will be used when considering the shape of the capital allowance regime following the end of super deductions next year.

## Penalties on non-resident tax promoters

[HMRC has published guidance on penalties](#) to UK entities for facilitating tax avoidance schemes involving non-resident promoters. The penalty will be up to 100% of the total fees, or equivalent thereof, received by all entities involved in the promotion of the avoidance scheme and is part of HMRC's wider focus on clamping down on promoters. Whilst targeting overseas promoters can be problematic for HMRC, the penalties are intended to make it uneconomic for UK entities to facilitate such activities. Please contact [Danielle Ford](#), Head of Tax Disputes and Resolutions, for assistance with tax disputes or investigations.



## You are not alone

[Research published by caba](#), the chartered accountants' wellbeing charity, for Stress Awareness Month has found 55% of accountants admit to suffering from stress and burnout. This compares to 41% in other industries. Four out of five accountants believed that stress and poor mental health are a problem within the industry. The research also contains ways in which organisations can support their employees including strategising support, introducing role models, developing line managers and establishing psychological safety.

## RJA pushes for rates reform

The Retail Jobs Alliance (RJA), a newly formed group including Tesco, Sainsbury's, Morrisons, USDAW, Kingfisher and Greggs which has been designed to lobby the Chancellor ahead of the Autumn Budget, has written to him calling for a reform of the business rates system. The members claim the current rates system fails to recognise the pressures physical retailers face and provides an unfair advantage to online providers. The Alliance says it is open to a new online sales tax being introduced to fund the lost revenue from cuts in business rates.



## FRC Lab's report on the supply chain

The [Financial Reporting Council's Lab](#) has published an insight into supply chain disclosure and sets out questions companies should consider reporting on regarding their supply chain risks and associated issues. These include: access to raw materials and goods; digital security, outsourcing and weaknesses in infrastructure; legal, ethical and reputational considerations; and providing an overall picture on governance and processes.

## TPR targeting suspects

[The Pensions Regulator \(TPR\) has announced](#) that it is targeting employers that it suspects of failing in their workplace with spot check inspections. The compliance drive reflects TPR's return to larger scale in-person inspections, targeting different parts of the UK, following the lifting of COVID-19 restrictions. In the coming months TPR has announced it will carry out activity in Greater Manchester, Nottingham, Greater London and Belfast. As well as carrying out spot check inspections, TPR also detects non-compliance using Real Time Information data shared by HMRC, alerts from pension schemes, whistleblowing reports from individuals, and other information and intelligence.



## Audit reform confirmed

Despite earlier suggestions to the contrary, the Queen's Speech's briefing notes included reference to [a draft Audit Reform Bill \(the Bill\)](#). This is designed to rebuild trust in the UK's audit, corporate reporting and corporate governance system and the insolvency regulatory framework and to strengthen the UK's position as a global leader in corporate governance. Other aims of the Bill include protecting stakeholders from unexpected company collapses and to increase competition in the audit market.

## Moscow Stock Exchange loses status

HMRC has now revoked the Moscow Stock Exchange's status as a recognised stock exchange, following [an earlier announcement of its intent](#) to do so. The move will mean certain UK tax benefits will no longer be available when trading securities on the Moscow Stock Exchange. HMRC has stated that access to treatments and reliefs for existing investments will not be affected.



## And finally... quick on the filing

HMRC has [announced that over 66,400 taxpayers](#) filed their 2021/22 Self-Assessment return on the first day of the new tax year. Filing your return early can facilitate receiving tax refunds sooner and provide visibility over future liabilities and enable payment arrangements to be agreed. Please contact [Katharine Arthur](#), Head of Private Client, for assistance with your personal tax affairs.

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

A member of



Independent legal & accounting firms



 Committed to Sustainability

© Copyright 2022 Haysmacintyre LLP. All rights reserved.

haysmacintyre is the trading name of Haysmacintyre LLP, a limited liability partnership

Registered number: OC423459 Registered in England and Wales

Registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales

A list of members' names is available for inspection at 10 Queen Street Place, London EC4R 1AG

A member of the ICAEW Practice Assurance Scheme

**Disclaimer:** This publication has been produced by the partners of Haysmacintyre LLP and is for private circulation only. Whilst every care has been taken in preparation of this document, it may contain errors for which we cannot be held responsible. In the case of a specific problem, it is recommended that professional advice be sought. The material contained in this publication may not be reproduced in whole or in part by any means, without prior permission from Haysmacintyre LLP.



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