

ATT Welcome, December 2018

Welcomes

01 December 2018

Compliments of the season

Between writing my last page and now, we have had both the Budget and publication of the Finance (No 3) Bill. These have spun off various consultations and calls for evidence and, although not being one for Budget predictions, I think it is helpful that the extension of the off payroll working rules to the private sector have been deferred. It is hoped that any developments in this area will only occur after a rigorous analysis of how they will work... or not. That's my wish for Christmas.

I am writing this while out of the country. The struggle with intermittent and relatively dubious wifi is real. This means that the sheer volume of information that I will have to catch up with when I get back to the UK continues to grow. It however also focuses the mind on another practical challenge that will have to be overcome by the smaller business preparing for MTD: Connectivity might be an issue if the person responsible for submission of the VAT return has cause to be abroad when a return is due.

Looking from the outside in, discussions inevitably veer towards Brexit. It was a bit of a surprise for me to hear an eminent commercial lawyer suggest that he did not think a deal would be made; or indeed that Brexit would happen! I could only possibly comment that our political leaders continue to maintain that 'Brexit means Brexit'. Despite my learned friend's views, as prudent tax professionals, we should be helping our clients ensure that they are prepared whatever the outcome. With this in mind, our colleagues at the [CIOT have produced a page](#) that should help you and your clients make sense of what we, so far, understand is coming. I understand that the page will be updated as more information becomes available so please bookmark and revisit it often.

The tinkering with the Annual Investment Allowance (AIA) continued in the Finance Bill. Anyone that has had to prepare AIA calculations, when a change straddles an accounting period, will be aware of the complexity that can be created. This is especially so when the amount of the AIA is reduced. Our technical team have [asked for an 'opt out'](#) where this could have adverse consequences for small and medium sized businesses.

The Finance Bill also introduces measures to extend the assessing time limit for non-deliberate, offshore tax non-compliance to 12 years after the end of the relevant tax year. This is bad enough. If these go through, we understand that the extended time limits will not apply if, before the normal time limit, HMRC receive information from an overseas tax authority (under automatic information exchange procedures) which means that they could reasonably have been expected to be aware of the lost tax. Our suggestion that the extended time limits should also be excluded where the taxpayer themselves provides such information (in a full disclosure before the normal time limit) has sadly not been accepted. This is disappointing and we will be making our feelings known to the Finance Bill Committee.

For those of us involved in filing of self assessment tax returns, the beginning of December is a time to assess how much more we have to do if our clients are not to miss the 31 January filing deadline for the 2017/ 18 Tax Returns. I have previously commented on exclusions, i.e. those returns that can not be filed online; and it is probably a good idea if you identify such clients as soon as possible. Even HMRC agree that such returns will

take a little bit more time to complete. Some guidance on what to do can be found on the [ATT website](#).

Many of you will be aware that there were some 2016/ 17 returns where an exclusion applied, but the software allowed the return to be filed online. I know!

Well, I understand that our friends at the Revenue have suggested that they will be issuing revised self assessment calculations in relation to some of such returns and these should have started arriving on your clients' doormats by now. Please note that we, as agents, may not be copied into these revised assessments. There are impacts on payment deadlines, interest and penalties and so please remind your clients to forward any such correspondence to you as soon as possible. There is a danger that they may not recognise them for what they are.

Did I mention that I was out of the country? Well, the sun has come out again and so I am going to try to read my copy of Tax Adviser, which I downloaded via the app, in the garden. It is not that I wouldn't proudly display the magazine while on holiday, it is just that the app makes it so very convenient. Try it. You'll be pleasantly surprised.

And finally, may I take this opportunity to wish each and every one of you a merry Christmas and all the very best in the new year.

Jeremy Coker
Deputy President, ATT