

Welcome from the editor-in-chief, January 2017

Welcomes

01 January 2017

And our survey said...

The CIOT, ATT and LITRG each responded to the six Making Tax Digital (MTD) consultation documents issued by HMRC. One source of the evidence used in the responses came from the 'Making Tax Digital - CIOT and ATT member survey'. One of the outputs of the survey, based on 1,082 responses, was that more than 90% considered that compulsory digital record keeping and quarterly reporting will place an additional burden on their practice. All three bodies' submissions had similar overall messages about MTD, while also focusing on specific areas relevant to that body's particular interest. [We provide a sample of the key messages from their responses](#), one of these, from LITRG, highlights concerns that the MTD business programme is over-reliant on software that HMRC have no control over.

Drawing on the above and other theoretical arguments I was hearing around the consultations, I felt that it was important to go one step further with a study to see the potential practical impact that the proposed changes could have. [I share the results of the study](#) which showed the increase in time taken to record business records digitally, a fundamental issue of checking entered data and some worrying process problems when using auto-recognition software.

Further concerns about the digital debate have been made by LITRG's report 'Digital services for taxpayers - effectiveness and engagement'. The report highlights the difficulties faced by some of the population as a result of the government's rapid move towards digitalisation. [Anne Newbon explains](#) that there is a danger that significant numbers of people will be left behind unless more is done to help them access digital services.

Increasing in scope

Philip Simpson QC examines the changes made to transactions in securities by FA 2016, and explains how unexpected tax charges can arise. Two key practical points to take away are the extension of the rules so that liquidations in themselves count as transactions in securities and also being aware of scenarios involving the solvent liquidation of a company and the transfer of its business to a new company.

Hair trigger

Employers with short term business visitors traveling to the US should be aware of US and UK employment tax considerations, as even very short trips can trigger unexpected employee and employer tax and reporting obligations. Although non-resident withholding is actually a widely established practice it is not well understood by UK employers, Seb Purbrick and Simon Mahon explain.

Prepare for attack!

HMRC and the CPS are making a concerted effort to change taxpayer behaviour at the riskier end of tax avoidance. George Gillham provides guidance on dealing with clients at risk of criminal investigation.