

# ATT Welcome, March 2017

## Welcomes

01 March 2017

## Light at the end of the tunnel

There is a light at the end of the tunnel! It is not an oncoming train or one that they forgot to turn off because of the economic conditions, although it could be someone with a torch bringing me more work. No, it is the start of spring and, hopefully, some warmer weather round the corner.

I do not know about you, but I always find the period between going back to work after Christmas up until Easter a hard slog. There is something about leaving for work in the morning and getting back home at night in the dark, feeling cold and, probably wet as well, that really sucks the enthusiasm out of me. Some inner voice seems to be urging me to just pull the duvet (high tog of course) up over my head and hibernate until the weather improves. It is only grit, determination and, to be perfectly honest, sheer Yorkshire bloody-mindedness that keeps me going. But in March things seem to be turning the corner. Ignore the equinox and the official (meteorological) start of spring, it is still going to be cold and damp for a few weeks, yet there are signs of things to come. I may not be getting home in daylight until after the clocks go forward on the last Sunday but at least I am not walking out of the front door in stygian gloom any more. With a little luck there may even be a few birds chirruping away to lift the spirits.

The winter torpor is gradually lifting and there are things to celebrate and an excuse to party. St David's Day, St Patrick's Day, Mothers' Day and Beer Day! For those of you that do not know, this is a national day of celebration in Iceland marking the final end of prohibition in 1985 when strong beers, those with an alcohol content of over 2.25% (actually far weaker than the majority of UK pub beers) were legalised.

From an ATT perspective March is a busy time. We have the Joint Presidents' lunch with CIOT in Edinburgh at the beginning of the month which is our major networking event in Scotland when we entertain key influencers in the Scottish tax world. The annual Prizewinners' lunch is at the end of the month where we present the top performers in our examinations with our congratulations and their medals, and finally, the President's reception which is our 'thank you' to the many volunteers – without whom the ATT could not function. The other major March event is, of course, Philip Hammond's first Budget of 2017 on 8 March; there will be a second later in the year as it moves to its new autumn date. Although the economy is performing better than many predicted following the Brexit vote, there are some pressing issues facing the UK. Demands on the health service, the social care time bomb (which is in turn increasing demands on hospital beds), housing and defence are just a few of the topics regularly mentioned in the newspapers. We can be certain that Mr Hammond will mention anti-avoidance, and hopefully he will answer the calls of the ATT amongst others and announce a slowdown in the Making Tax Digital time table. HMRC do seem to be sticking to Admiral Farragut's order at the Battle of Mobile Bay of 'Damn the torpedoes, full speed ahead!' Although this worked, probably more by luck than judgement, the consequences for business of a headlong rush into MTD may not be so fortunate. Recent comments suggest that 65% of small businesses do not have suitable software, and a large proportion still fall into the brown paper bag job category. There is also a wide variation in the forecast cost; the Federation of Small Businesses says almost £3,000 per annum; HMRC say £280. This project has to work, so a strategic pause really does seem essential. Although the economy is performing better than many predicted following the Brexit vote,

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Given the current uncertainty surrounding the terms of the UK's exit from the EU and how President Trump's economic policies are going to develop in the United States caution may be the watchword. The Prime Minister is committed to serving the divorce papers (triggering Article 50) on the EU before the end of the month so Mr Hammond has an opportunity for further action later in the year when things have settled down a bit. Whatever the Chancellor's announcements the ATT technical team will be analysing the detail and providing their usual insightful comments.

Despite the ancient Chinese curse, 'May you live in interesting times' (and times are certainly interesting!) I am optimistic. The light is there and spring is definitely round the corner. Now where did I leave the barbecue?

Until next month.