

# Welcome to August's Technical Newsdesk

Welcomes

01 August 2017

Can tax be compared to buses? Let me try. Spring and early summer was relatively quiet in tax policy terms, with the General Election and hence purdah putting a stop to all but 'business as usual' engagement with HMRC and HMT. Then, last week (I'm writing this on Monday 17 July), lots of measures and announcements come at once. OK, perhaps not the best analogy, but you see what I mean.

First, and probably the headline grabber, the Making Tax Digital proposals are radically altered. Businesses will not now be mandated to use the Making Tax Digital for Business (MTDfB) system until April 2019, and even then it will only be to meet their VAT obligations. This will apply to businesses who have a turnover above the VAT threshold, and not therefore for voluntary VAT registrations, although they can choose to do so if they wish. Digital record keeping and reporting for other taxes will not be mandated until April 2020 at the earliest, and in the meantime businesses will be encouraged to keep digital records voluntarily. This is all welcome news – and [Margaret Curran, Will Silsby and Kelly Sizer report in this issue on just one of the difficulties of introducing MTDfB – designing a fair and effective penalty regime](#). In the meantime, other elements of MTD continue, and [Matthew Brown explains how 'dynamic coding' is changing PAYE](#).

A close second was the announcement that the Finance Bill would not be published until after the summer Parliamentary recess, which in practice means September at the earliest. What we do know is that the measures which were intended to take effect from 1/6 April 2017 will do so. Updated legislation has been released in seven areas (including the corporate interest restriction and losses measures, and deemed domicile), with the remaining measures dropped from the previous Finance Bill expected to come back unchanged. [George Crozier and Hamant Verma provide further details on these and other aspects of the Queen's Speech](#).

Third, HMRC published their Annual Report and Accounts (all 293 pages), and the Your Charter Annual Report. There are some impressive numbers reported, with record tax revenues brought in during 2016/17. But in other areas the position is not so rosy. For example, HMRC recognise that the commitment to reduce the annual cost of tax administration to businesses by £400 million by 2019/20 is in danger of being missed, and Agents' perceptions of HMRC leave significant scope for improvement (for example, only 16% of agents consider that HMRC are efficient and do not waste money).

Fourth, the Taylor Review was also published last week. Although taxation was not specifically within the remit of the review, we welcome the desire to take account of the tax system on changes to employment definitions, and agree that treating different forms of employment more equally in the tax system would be fairer, more economically efficient and support better quality work. Clearly linked to the growth in the 'gig' economy, [Matthew Brown, Meredith McCammond and Helen Thornley report on the CIOT, LITRG and ATT's responses to the call for evidence on the taxation of employee expenses](#) - and a big thank you goes to those 600 members who responded our survey.

Last but by no means least are the self-assessment exclusions for online filing, which have been more of a rollercoaster ride than a bus ride. HMRC confirmed to us last week that they are planning an in-year fix to pick up and resolve most of these issues (items 48-56, and 58-79 on version 4 of the list of 'Self Assessment Individual Exclusions for online filing-2016/17'). By the time you read this you should have seen more information and what to do in the meantime, but note also that there is a HMRC Talking Points session scheduled for this month which we would recommend you tune into.

Returning to this month's Technical Newsdesk, [Sacha Dalton summarises the CIOT's comments on the Public Discussion Draft on Base Erosion and Profit Shifting \(BEPS\) Action 8 - Implementation Guidance on Hard-to-Value Intangibles](#), published by the OECD in May 2017. [Kelly Sizer gives an update on the new online appeals service to the tax tribunal](#), [Angela Fearnside provides an update on our work in relation to HMRC's guidance](#) and, finally, [Charlotte Ali gives an update on the Money Laundering Regulations](#).