

Welcome to September's Technical Newsdesk

Welcomes

01 September 2017

We hope that you have opened this month's issue of *Tax Adviser* as soon as it landed on your desk and turned promptly to these Technical pages, because we start off this month with two consultations that draw to a close during September, and on which we would appreciate any comments and input that you have.

Firstly, [Emma Rawson and Margaret Curran summarise the focus paper which has been published by the Office of Tax Simplification \(OTS\) on disincorporation relief.](#) You may be aware that this relief, which was introduced by FA 2013, is due to come to an end on 31 March 2018 and the OTS is keen to ensure that there has been a proper debate and consideration of the usefulness of this relief before this happens.

Secondly, [Kate Willis draws out the tax aspects from a consultation by HMT on Financing Growth in Innovative Firms.](#) This is part of the government's Patient Capital Review (patient capital being long-term investment in innovative firms led by ambitious entrepreneurs who want to build large-scale businesses). As explained below, this consultation considers various relevant tax reliefs and also asks what other steps the government could take to make current tax reliefs more efficient and effective. We would welcome your thoughts.

As mentioned above, both of these consultations require responses in the first couple of weeks of September, and we appreciate you getting comments to us before that time is a tall order, but your input is always valued and any comments you can give us will ensure that the CIOT's responses are as representative as possible of members' experience. Therefore we encourage you to contribute and thank you in advance for doing so!

We have already been contacted by several members with regard to the next topic discussed below: the long awaited guidance on the distributions on company

winding up (or phoenixing). [We are aware of the shortcomings of this guidance and, as explained by Emma and Margaret, we will be writing to HMRC regarding this.](#) Again, but with slightly less urgency, we would welcome any further comments on this guidance.

Another ongoing matter is, of course, Making Tax Digital (MTD). Although, as noted in last month's Technical Newsdesk, the proposals have been radically altered, as [Angela Fearnside explains below, there is much to be done to ensure that MTD works for VAT by the start date of April 2019](#) and we must not rest on our laurels as a result of the announced delay.

Continuing the digital (or at least electronic) theme, HMRC is aiming to reduce cheque payments and refunds by payable order, preferring instead electronic payment where possible. [Kelly Sizer summarises a recent 'Talking Points' webinar on this topic.](#) In addition, [Margaret explains that HMRC has created an in-year fix to address some of the errors in the 2016/17 income tax calculator software](#), meaning that, come October, taxpayers who were affected by the glitches previously reported should be able to file online.

On other matters [Margaret reports on a change of heart by HMRC in relation to daily penalties for late non-resident CGT returns](#) and [Helen Thornley gives some useful background in relation to a new legal requirement for an identification code for legal entities engaging in relevant financial transaction](#); although not strictly tax related, readers may increasingly see their clients being asked for their legal entity identifier, so it is as well to be informed.

Both the CIOT and LITRG have provided some new guidance for members on their websites: see the articles by Margaret on the [new corporate criminal offence relating to criminal facilitation of tax evasion](#) and by Kelly on [savings income issues and, in particular, bank accounts paying 'rewards'](#).

[LITRG has also responded to the Financial Conduct Authorities consultation on pension transfer advice](#) and this is summarised by Kelly below.

Meanwhile, [the CIOT has contributed to an Opinion Statement which has been submitted by the CFE to the European Commission on its proposals for Europe wide mandatory disclosure rules](#), as reported by Sacha Dalton and, finally, [Angela summarises a recent important judgment of the European Court in relation to Excise Duty which should provide some certainty for taxpayers.](#)

