

## E-NEWS

11 JULY 2017

WELCOME TO ENEWS, HAYSMACINTYRE'S REGULAR "E-NEWS ALERT" FOR CORPORATES AND PRIVATE INDIVIDUALS.

**haysmacintyre**

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### FRC DELAYS DECISION ON UPDATING FRS 102

The Financial Reporting Council ("FRC") has [issued a feedback statement](#) following its consultation on updating FRS 102 to be consistent with IFRS. Although the feedback largely supported long term consistency between FRS 102 and IFRS, it also suggested more IFRS implementation feedback was required before updating FRS 102. Accordingly, the FRC has delayed issuing an exposure draft which was going to include the principles from IFRSs 9 (financial instruments), 15 (revenue) and 16 (leases). The updates to FRS 103 (Insurance Contracts) to reflect IFRS 17 (Insurance Contracts) has also been delayed. No timetable has been set for future changes.

### DATA PROTECTION ACT TO BE REPLACED

The Government has confirmed that it will implement the [General Data Protection Regulation \(EU 2016/679\)](#) ("GDPR") which will replace the current Data Protection Act by 25 May 2018. The GDPR aims to give individuals more control of their personal data including clearer erasure rights and a right to be told when personal data has been hacked. The GDPR also provides EU wide rules and the creation of a single supervisory authority per country. The announcement, in the Queen's Speech, ended speculation that the Government might adopt a light touch approach following Brexit.

### OTS REVEALS ITS TARGET AREAS

The Office for Tax Simplification ("OTS") has issued its first annual report in which it has noted that following its review on the computation of corporation tax, stamp duty and VAT it will now consider reviewing Making Tax Digital, capital allowances, patent/long term capital and how the tax system can adapt to changes in the way of working and the gig economy



## EXTENSION TO ERS RETURNS' DEADLINE

The deadline for employers to submit their 2016/17 Employment Related Securities ("ERS") annual returns would normally have been 6 July. However, given issues with HMRC's online filing system, HMRC has extended the deadline to 24 August. haysmacintyre worked to the 6 July deadline, wherever possible, but if you require assistance with your ERS returns, please contact your usual haysmacintyre adviser or [Charles Osborn](#).

## HMRC UPDATES ITS MONEY LAUNDERING GUIDANCE

HMRC has updated its [suite of money laundering guidance](#) to reflect the implementation of the [Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) as well as publishing new guides on enforcement and fit and proper tests. HMRC is responsible for the anti-money laundering supervision of seven business sectors including high value dealers, accountancy service providers, estate agencies and telecommunication, digital and IT payment service providers.

## FRC CONSULTS ON UPDATED MONEY LAUNDERING GUIDANCE

The FRC has [opened a public consultation](#) on revising its money laundering guidance to auditors following the introduction of the 4th EU Money Laundering Directive on 26 June 2017. The FRC is proposing including the revised guidance within ISA 250 (UK): Consideration of Laws and Regulations in an Audit of Financial Statements as opposed to it remaining as a standalone Practice Note. The consultation is open until 8 September 2017.

## OTS TRYING TO SIMPLIFY CORPORATION TAX

The OTS has published its report on the simplification of the corporation tax system. Key recommendations include: simpler tax for smaller companies; aligning the tax rules more closely with accounting rules where appropriate; simplifying tax relief for capital investment; and a range of further issues affecting the largest companies. The report also highlights the links with HMRC's work on Making Tax Digital, which offers a move towards a simpler system by use of technology. Please contact Katharine Arthur if you have any questions regarding this report.



## AN END TO UNPAID HOLIDAY JOBS?

The [Unpaid Work Experience \(Prohibition\) Bill](#) has been introduced into the House of Lords which proposes making it illegal to provide work experience, whether continuous or not, of more than four weeks without payment. The Bill includes amendments to the National Minimum Wage Act to achieve this objective. The Bill has received its first reading but a date for the second reading has still to be set.

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## AND FINALLY...THEY THINK IT'S ALL OVER, IT IS NOW!

The [Supreme Court has ruled](#) in HMRC's favour against Rangers over its use of Employee Benefit Trusts ("EBTs"), whereby tax-free loans of c£47m were made to players and other staff employed by the club. HMRC had claimed these "loans" represented taxable income but had previously been unsuccessful in this claim at Tax Tribunals in 2012 and 2014, although subsequently winning at the Court of Session in 2015. It is expected that HMRC will now issue "follower notices" seeking the tax due on similar arrangements. Please contact your usual haysmacintyre adviser, [Katharine Arthur](#) or [Nick Bustin](#) if you require assistance.

## ABOUT HAYSMACINTYRE

We are a leading mid-tier firm of Chartered Accountants and tax advisers in central London, providing advice to entrepreneurs, fastgrowing and owner-managed businesses, charities and not for profit organisations across the UK and internationally.

As a mid-tier firm we're large enough to provide a wide range of services, yet small enough to offer a personal, responsive approach.

As a founding member of MSI Global Alliance, one of the largest and most respected associations of independent legal and accounting firms, we are ideally placed to advise you on international matters.

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