

# E-NEWS

## 18 APRIL 2017

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

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### ICAEW ISSUES UPDATED GUIDANCE ON DISTRIBUTABLE PROFITS

The ICAEW has [updated its guidance](#) on what constitutes realised and distributable profits in light of FRS 102. The new guidance replaces TECH 02/10. The new version includes guidance on accounting for off market loans, retirement benefit schemes and long term insurance business arising from Solvency II. The guidance also includes a section on what amounts to a distribution, which is based on legal advice as opposed to generally accepted accounting practice

### MANDATORY DISCLOSURE OF PAYMENT TERMS AND PRACTICE

On 6 April 2017 [The Reporting on Payment Practices and Performance Regulations 2017](#) became effective and requires qualifying companies and LLPs to publish twice a year, on a Government website, [details of their payment terms and performance](#) on B2B transactions. An entity is qualifying if it exceeds two or more of the following criteria: turnover, £36 million; balance sheet total, £18 million; or 250 employees. The regulations apply for periods beginning on, or after, 6 April 2017 and require reports to be submitted within 30 days of the period end. Failure to comply is a criminal offence with an unlimited fine.

### REGISTER OF OVERSEAS OWNERS OF UK PROPERTY

The Government is [consulting on setting up a register](#) to monitor ownership of UK properties by overseas purchasers and shell companies. The proposed register is in response to a number of concerns, including the potential abuse of the property market, particularly as a money laundering vehicle, and high London prices. The timing of the introduction of the register is not yet known. Please contact [Katharine Arthur](#) if you require further information.



## OFFSIDE ON THE TAX TREATMENT?

[Treasury minutes \(page 7\)](#) have shown that HMRC has set up a specialist compliance team to ensure image rights in football are being consistently applied. Over the next three years, technical experts will visit all English Premier League, Championship and Scottish Premier League clubs to review compliance risks. This follows the Public Accounts Committee's recommendation that the Government should include legislation in the next Finance Bill to ensure tax revenue is not lost through the inappropriate use of image rights. If you think you may be affected by this, please contact your normal haysmacintyre adviser or [Katharine Arthur](#).

## IS MTD BECOMING A BIT OF A HORLICKS?

The House of Lords' Economic Affairs Committee has said it is "very puzzled" at the Government's estimate of the cost (£280) to businesses of implementing Making Tax Digital ("MTD") and did not believe it was fact based. The Committee says MTD should be delayed for a year, until 2020, to allow for a full pilot to be performed and evaluated. The Committee's chairman, Lord Hollick, says there is little awareness of MTD in some sectors and does not wish to see the SME sector clobbered by unnecessary requirements. Please contact [Katharine Arthur](#) if you want to discuss MTD.

## BEIS SETS OUT ITS RECOMMENDATIONS ON GOVERNANCE

[The Business, Energy and Industrial Strategy \("BEIS"\) Committee enquiry](#) has made a number of recommendations to the FRC as it reviews the UK Corporate Governance Code ("the Code"). The recommendations include: developing a new Governance Code for the largest private companies; abolishing long term incentive plans in favour of a more simplified pay structure with any equity being awarded over the long term; appointing workers to boards; annual publication of pay ratios; more accountable non-executive directors; and the development of a traffic light system on corporate governance which the companies would be obliged to refer to in their annual reports.



## NEW FRAUD HOTLINE

HMRC has launched a new hotline (0800 788887) for the public to report fraud and evasion. The hotline is open 8am - 8pm every day, and replaces the separate tax evasion and customs hotlines. Please contact [Katharine Arthur](#) if you require further information or assistance.

## FRC RESPONDS TO BEIS'S RECOMMENDATIONS

In the FRC's [response to BEIS's recommendations](#), it has noted that, if fully implemented, they would have a significant impact on the FRC's remit, resources and funding. Both BEIS and the FRC believe the "comply or explain" principle has worked well and that the review of the Code, currently being undertaken by the FRC, will, whilst simplifying and shortening it, position it suitably for the next 25 years. The FRC has said it will take into account BEIS's recommendations as part of its review of the Code.



## AND FINALLY... TESLA VAULTS TO THE TOP

In a sign of these transformational times, earlier this month, Tesla's market capitalisation exceeded that of both Ford and General Motors making it America's most valuable carmaker. Last year, GM sold nearly 10 million cars, compared to Ford's 6.7 million. Tesla sold less than 80,000 vehicles in 2016 and has yet to make a full year profit but is seen as leading the way in electric motors and autonomous driving. A case of potential, rather than size, mattering.

## 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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