

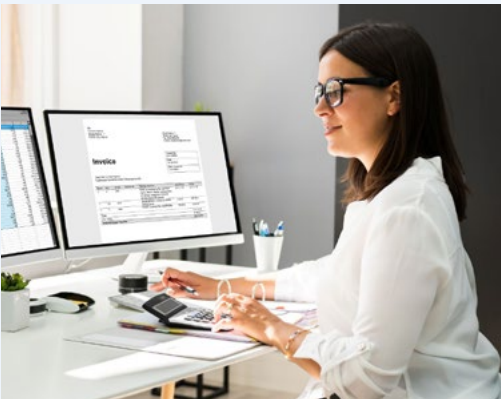
eNews

24 JANUARY 2023

Welcome to haysmacintyre's regular 'e-news alert' for corporates and private individuals.

LCCI's Capital 500's pessimistic findings

Earlier this month, the London Chamber of Commerce and Industry (LCCI) released its [latest Capital 500](#) report covering Q4 2022. The report highlighted the cost pressures London businesses were facing with inflation, rising interest rates and a tight labour market. Business rates are an increasing concern and many are facing pressure to raise wages. The survey found a pessimistic outlook for 2023 with over 50% of firms predicting that the capital's economy will worsen this year.



Single R&D tax relief?

The [Treasury has launched a consultation](#) into simplifying the current Research and Development (R&D) tax reliefs into a single scheme which would replace the current Research and Development Expenditure Credit (RDEC) and the small and medium enterprises (SME) R&D relief. The proposed replacement would be based on the current RDEC scheme as far as possible and the Government is considering whether to introduce different levels of relief for different sectors. The consultation closes on 13 March 2023.

TalkTalk's VAT claim discounted

The First-tier Tribunal has released its [decision in the TalkTalk VAT](#) case finding against the taxpayer. The case considered whether c£10.6m of VAT was due on prompt payment discounts because the legislation, at the time, required that services be supplied on "terms" allowing a discount for prompt payment. When the contract was examined no such "terms" existed and the VAT was due. Although now only of historic interest, the case highlights the length of time VAT litigation can take (it started in 2014), the continuing relevance of EU legal principles and the fine lines that can decide a VAT case. Further details are available [here](#).



Net zero needs positive tax support

An independent review, [Mission Zero](#), chaired by the former Energy Minister, Chris Skidmore MP, has called on the Government to encourage investment in net zero projects through tax policy, such as via tax breaks and capital allowances. The report believes net zero is the 21st century's growth opportunity but criticises the levying of policy costs and taxes onto electricity bills which keeps the price of electricity artificially high and can stifle the use of low-carbon technologies.

FCA reviewing retirement income advice

The Financial Conduct Authority (FCA) has [announced a thematic review](#) into the advice consumers are receiving on meeting their income needs in retirement. This review will examine how the retirement income advice market is functioning and how firms are responding to changing consumer needs as a result of the rising cost of living. The work will begin in Q1 2023 with the intention of issuing a findings report in Q4 2023.



HMRC's mailing list error

HMRC [has notified ICAEW](#) that it has paused sending [nudge letters](#) to individuals who have not filed their 2020/21 tax return, after a mailing list error meant the communication was being sent to those who had already filed it. If you receive such a letter, despite previously filing your tax return, then it can be ignored. However, if you have income or gains to report, but have not filed your 2020/21 tax return, we recommend seeking professional advice as penalties and late payment interest maybe due. Please contact [Danielle Ford](#), Head of Tax Disputes and Resolutions, if you require assistance.

Minor amendment to IFRS 16 proposed

The [UK Endorsement Board \(UKEB\)](#) is [consulting](#) on minor amendments to IFRS 16 Leases which would affect 2024 accounting year ends. The amendments enhance the requirements to explain how a seller-lessee accounts for sale and leaseback transactions where variable lease payments exist that do not depend on an index or rate. This proposal is designed to reduce differences in practice and promote consistency and comparability between accounts. The proposal is open for comment until 5 April 2023.



And finally...ring, ring and hanging on the telephone

The Chair of the [Treasury Committee](#) has [written to HMRC](#) chief executive Jim Harra, asking him to explain why the service on its phone helplines was so poor after reports of several hours on hold before being cut off came to light. The letter asks for whether this is a result of high levels of demand, too many staff working from home, or a knock-on effect from the IT issues which shut down HMRC's phone system for four days in early December. A reply was requested by 23 January.

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Shortlisted 2019 National Firm of the Year



Shortlisted 2019 Tax Team of the Year



Highly Commended Partner of the Year



2021: Best auditor
2020: Best outsourced finance service



Winner: Audit Team of the Year



Top 15 auditor to quoted companies in Adviser Ranking Listing



An eprivateclient top accountancy firm 2022