

eNews

27 JUNE 2023

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

## HMRC opens the box

Following the publication of the Pandora Papers in October 2021, which revealed details of offshore structures, [HMRC has started sending "one to many"](#) letters to UK residents to give them a chance to correct their tax affairs under available Disclosure Facilities. In many cases the leaked structures were perfectly legal and prompt engagement with HMRC will correct the misunderstanding. However, where tax has been avoided through such structures and a disclosure is not made, taxpayers could face penalties of up to 200% of any tax due or prosecution. Please contact [Danielle Ford](#), Partner, Head of Tax Disputes and Resolutions, if you require assistance.



## Tax is too difficult

The House of Commons Treasury Committee's (the Committee) [report on Tax Simplification](#) has criticised the UK tax system as being overcomplicated and called for the trend for more complexity to be reversed. The Committee believes the complexity is also inhibiting economic growth and that the decision to close the Office of Tax Simplification was misplaced as it provided independence on reviewing the tax system. The Committee has called for, and the Treasury has agreed to, an annual report from HMRC and the Treasury providing an update on measures taken to simplify the tax rules.

## HMRC challenged over helpline closure

The Committee has also [written to HMRC](#) seeking answers behind the reasoning for closing the self assessment helpline over the summer and how the success, or otherwise, of the trial will be evaluated. The Committee is also asking whether the closure is related to HMRC's working from home policy or because of staffing issues and/or backlogs in other areas. A reply has been requested by today (27 June 2023).



## FRC researches ESG

The Financial Reporting Council (FRC) has published a report into [the views of Audit Committee Chairs \(ACCs\)](#) on, and their approach to, Environmental, Social and Corporate Governance (ESG) activities and reporting. The research found an increase in ESG significance with ACCs seeing it as a part of good business practice and effective stakeholder communication. Although ACCs' involvement in decision making was often limited their primary role was in risk management, compliance and ensuring effective reporting. There was also a call for practical, sector-specific guidance to measure environmental and social activities.

## Further extension for replenishing NICs

[HMRC has announced](#) that taxpayers will now have until 5 April 2025 to fill gaps in their National Insurance Contributions (NIC) record from April 2006 that may increase their state pension. The deadline had been extended to 31 July 2023 earlier this year and the further extension is designed to give more taxpayers time to consider whether making voluntary contributions is the right thing to do. Please contact our [Employment Tax team](#) if you require assistance with NICs.



## HMRC calls for extra time

[Earlier this year](#), HMRC lost its argument at the [First Tier Tribunal](#) that Gary Lineker was liable for income tax and national insurance, rumoured to total £4.9 million, when it sought to apply the IR35 legislation to the partnership Lineker had with his, now, ex-wife. As expected, HMRC has appealed the high profile case to the Upper Tribunal (UT) and will be heard at a, currently, unspecified future date. The UT be reviewing the case on the point of law and will not be rehearing the entire case. Please contact our [Employment Tax team](#) if you require assistance with employment status matters.

## CPD guidance issued

ICAEW has issued [further guidance on the Continuing Professional Development](#) (CPD) requirements that will apply from 1 November 2023. Under the new requirements, anyone required to undertake CPD will be required to, inter alia, complete a minimum number of verifiable CPD hours and a minimum of one hour's ethics training aligned with the ICAEW's Code of Ethics per annum.



## NMW failures named

The [Government has named and shamed](#) 200 employers for failing to pay the National Minimum Wage (NMW) between 2017 and 2019. The employers had underpaid c63,000 workers by c£5 million and face penalties of nearly £7 million with deducting pay from wages, not paying correctly for working time and using wrong apprenticeship rate being the main failures. The arrears have since been repaid. The top 4 defaulters were WH Smith, Lloyds Pharmacy, Marks & Spencer and Argos. NMW regulations can be complex, so please contact our [Employment Taxes team](#) if you require assistance.

## FRC reviews fair values

The FRC has [published a thematic review on fair value measurement](#) and notes that high inflation and interest rates will impact consumer behaviour and future profits and cashflows. It calls for clear and transparent disclosures on the uncertainties, risks and significant assumptions underlying the fair values adopted in the financial statements. The review also calls for: fair value measurements to be based on market participants' assumptions rather than the company's own; considering the need for specialist third party advice; and high quality disclosure.



## And finally... gap holds steady

[Data recently released by HMRC](#) reveals that HMRC estimates the Tax Gap remained at 4.8% of tax liabilities; this equates to c£36 billion. The Tax Gaps estimates the difference between the total amount of tax expected to be paid and the total amount of tax actually paid. Whilst the Gap in percentage terms remained consistent, the absolute amount grew from £31 billion, in 2020/21 to £36 billion.

# haysmacintyre

haysmacintyre  
10 Queen Street Place  
London  
EC4R 1AG  
T 020 7969 5500  
F 020 7969 5600  
E [marketing@haysmacintyre.com](mailto:marketing@haysmacintyre.com)

[www.haysmacintyre.com](http://www.haysmacintyre.com)

[@haysmacintyre](https://twitter.com/haysmacintyre)

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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