

7 January 2025

Corporate and Private Client eNews

A Happy New Year to our readers

With this edition of eNews being the first of 2025, we would like to say thank you to all our readers for your support during 2024 and to wish you all a happy, healthy and prosperous New Year.

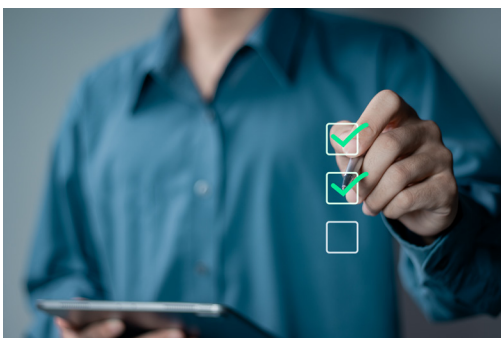


Small to get larger in April 2025

The Government has [published legislation](#) that will increase the size thresholds for micro, small and medium-sized entities. The increases will apply to financial years beginning on or after 6 April 2025 and will see, inter alia, the small companies' turnover threshold increasing from £10.2 million to £15 million. The legislation includes a transitional provision to treat the amendments as having been applied in the previous financial year when determining a particular company size. Large and medium-sized entities will also see a reduction in the requirements for disclosure in their directors' reports, including no longer being required to disclose details on financial instruments, research and development, important post balance sheet events and employee engagement.

Online sales platform reporting to HMRC

Digital sales platforms will need to [report 2024 sales data and information on sellers](#) to HMRC by the end of January 2025. This does not change the tax position of the person making the sale but is designed to provide HMRC will more information on possible sources of income that could be taxable. Those selling at least 30 items or earning €2,000 or more (c£1,700), or who provided a paid-for service, on a website or app in 2024 should be contacted by the platform in January saying their sales data and some personal information will be sent to HMRC. Please contact your usual HaysMac adviser if you require assistance with your reporting requirements.



FRC publishes FRED 86

The Financial Reporting Council (FRC) has published [FRED 86 'Draft amendments to FRS 101 Reduced Disclosure Framework'](#) arising from its annual review of FRS 101 for comment. The FRED is designed to ensure that FRS 101 remains relevant and up to date for changes in accounting standards. The proposals relate to IFRS 18 'Presentation and Disclosure in Financial Statements' and IFRS 19 'Subsidiaries without Public Accountability: Disclosures' and provide an exemption against some of the requirements of IFRS 18 and prevents qualifying entities applying both IFRS 19 and FRS 101.

Change in Practising Certificate rules

Updates to ICAEW rules now means ICAEW members who are principals in financial services regulated firms, whether in the Crown Dependencies or mainland UK, must hold a Practising Certificate (PC) if the firm also provides accountancy services, other than incidentally. The Statement on Members Engaging in Public Practice (the Statement) has also clarified the criteria in deciding whether accountancy services are provided in an incidental manner. Although the revised Statement became effective on 1 January 2025, the ICAEW has granted an amnesty until 31 March 2025 for members to obtain a PC if they do not already hold one.



Tis' the season for fraud

HMRC has published a warning for taxpayers on refund scams aimed at self-assessment taxpayers. HMRC had c150,000 scams reported to it in the last twelve months, representing an increase of nearly 17% on the previous year, and asks taxpayers to be vigilant against fraudsters exploiting the self-assessment filing period. HMRC states it will never leave voicemails threatening legal action or arrest, nor ask for personal or financial information over text message, but criminals will do this. HMRC references its guidance to assist identifying scam phone calls, emails and text messages.

ICAEW and CIOT call on HMRC to improve resolution rate

A joint report by ICAEW and the Chartered Institute of Taxation (CIOT) to review HMRC's performance towards agents has made 10 recommendations for improving HMRC's services. The recommendations include: introducing an externally accessible tracking system to reduce the time agents spend chasing progress; having an appropriate escalation process for complex cases; improved training of HMRC staff; improved ownership of cases from HMRC; and identifying gaps in digital services so that investment is targeted at areas with the greatest need. The report follows HMRC missing all five targets set by the Treasury in 2023/24.



And finally...festive filings

Over the period from 24 to 26 December 2024, 40,072 (2023: 25,769) taxpayers submitted their 2023-24 self-assessment tax return, an increase of over 55% on the previous year. The deadline for filing your 2023-24 tax return is 31 January 2025 with interest and penalties arising if payment of tax liabilities and submission of the return is not made by this date.

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Winner: Large Firm
of the Year 2023



An eprivateclient
top accountancy firm 2024



Top 10 auditor to quoted companies
in Adviser Ranking Listing