

2 September 2025

Corporate and Private Client eNews

Welcome to eNews, HaysMac's regular "e-news alert" for corporates and private individuals.



ARGA kicked down the road

The **Department for Business and Trade has announced** that the draft Audit Reform and Corporate Governance Bill, which would have seen the Financial Reporting Council (FRC) being replaced with the Audit Reporting and Governance Authority (ARGA), will not be brought forward for scrutiny in the current Parliamentary session. No revised timeframe has been announced and the Department has said it will now undertake further consultation to refine its proposals. The FRC will continue in its current role for now and the proposals for shared audits and more accountability for directors and audit committees have also been delayed.

ICAEW and CIPFA exploring a merger

ICAEW and **CIPFA** have announced the signing of a Heads of Terms agreement outlining the strategic direction towards a potential merger between the two chartered bodies. This follows a joint declaration in 2023, where both organisations committed to ever-closer strategic alignment to strengthen the profession and better serve the public interest. However, whilst the Heads show that CIPFA would formally join the ICAEW group, both would retain their own brand, legal identity, charitable status and operational independence.



HMRC's One to Many drive expands

The summer months have seen HMRC starting a number of new One to Many campaigns. **One targets loan arrangements** and the related interest being found to have been unallowable following three Court of Appeal decisions. Another campaign focuses on the potential under declaration of associated companies and claiming too much marginal relief as a result. **Two different types of letter** are being used to test the impact of different framings and tone. If you receive such a letter and require assistance, please do not hesitate to contact your usual HaysMac adviser, or **Danielle Ford**, Partner and Head of Tax Disputes and Resolutions.

Failure to prevent fraud criminal offence commences

Introduced as part of the Economic Crime and Corporate Transparency Act 2023, the failure to prevent fraud criminal offence came into effect on 1 September 2025 for large organisations. This makes organisations potentially criminally liable where an employee, agent, subsidiary, or other “associated person”, commits a fraud intending to benefit the organisation and the organisation does not have reasonable fraud prevention procedures in place. Organisations in scope should consider the **guidance issued by the Home Office** and, where necessary, seek the appropriate professional advice.



Tax advisers to be registered

HMRC has announced that, with effect from 1 April 2026, tax advisers who interact with HMRC on behalf of their clients, will have to be registered with HMRC and meet minimum standards. HMRC has stated that the registration date will be subject to, at least, a three-month transition period and the information required to register will be released by HMRC in the future along with relevant guidance.

FCA fines Barclays for financial crime failures

The **Financial Conduct Authority (FCA)** has **fined Barclays** over £42 million for failings in its financial crime risk management on two of its clients. In the first case Barclays failed to check whether the client was permitted by the FCA to hold client money and, in the other, it failed to gather enough information at the start of the relationship or carry out proper ongoing monitoring. In the second case, this failure resulted in Barclays facilitating the movement of funds linked to financial crime.

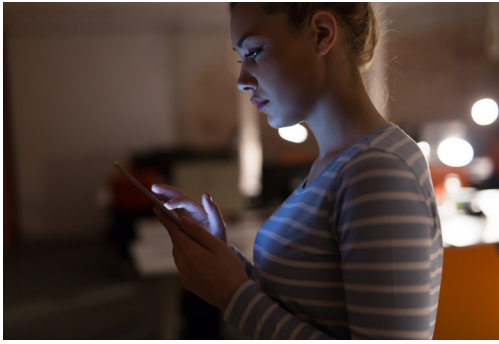


MTD for corporation tax

Although first announced in 2015, HMRC has announced in its latest **Transformation Roadmap (in the penultimate paragraph of section 5.2)** that it does not intend to introduce Making Tax Digital (MTD) for corporation tax. However, HMRC says it is developing an approach better suited to the complexities of corporation tax, but it is unclear what this means and when this approach might be launched.

HMRC revises AFRs

HMRC has updated some of the Advisory Fuel Rates (AFRs) for employees paying for their own fuel when using company cars for business travel with effect from 1 September 2025. The AFRs for diesels not exceeding 1,600cc and those over 2,000cc increase by a penny a mile and HMRC has introduced a distinction for charging electric cars at home or in public in recognition of the additional cost of public electricity. Details of the new rates are available **here**. Please contact our **Employment Tax** team if you require assistance with AFRs or any other employment tax related issue.



Identity verification

Companies House has announced that identity verification will be mandatory from 18 November 2025 for all new directors and persons with significant control (PSCs) before incorporation or appointment. Existing directors will need to confirm that they have verified their identity at the same time as their next annual confirmation statement is filed after this date and existing PSCs will also need to verify their identity. HaysMac has published **a useful guide** and should you require assistance, please contact our **ID verification team**.

CGT rate change causing tax return errors

HMRC is writing to taxpayers who have submitted their 2024/25 self-assessment tax return with capital disposals after 30 October 2024 where it thinks the incorrect capital gains tax (CGT) liability has been calculated. This has arisen from the change to the rate of CGT from that date and not being automatically correctly calculated by HMRC's software.

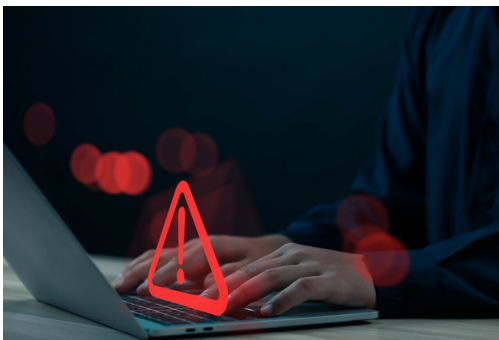


HMRC targeting personal expenditure

HMRC has shared with ICAEW a digital campaign to be aimed at taxpayers claiming relief for personal expenditure in their 2024/25 self-assessment returns which follows a trial run last year. HMRC says it will be opening more enquiries to check that only deductions for business-related expenses are made and that mixed use expenses are apportioned correctly between business and personal use.

FRC consults on future audit supervision

The FRC has issued a discussion paper regarding its **Future of Audit Supervision Strategy** which is designed to promote a resilient audit market where all audit firms can deliver high quality audits. The FRC sets out a number of proposals including: adapting its supervision of firms by considering the effectiveness of the firms' Systems of Quality Management; removing the current tiered structure of audit firms; applying a proportionate supervisory approach across the whole market; and developing the approach to graded file inspections to reflect the firm's audit portfolio and role in the market. The engagement closes on 30 September 2025.



HMRC warns against scams

HMRC has issued a warning to Self-Assessment taxpayers to be vigilant against scam attempts involving impersonating HMRC staff, fake refunds and phishing attempts. HMRC emphasises that passwords, usernames and access codes should never be disclosed. Although scam referrals to HMRC in the year ended 31 July 2025 were down 12%, at over 170,000, more than 47,000 such reports involved fake tax refund claims.

And finally... rodent excuse fails at FTT

A bus driver for Arriva has been **unsuccessful at the First Tier Tribunal (FTT)** in arguing that rodents had eaten all of his receipts relating to expenditure he had claimed on his self-assessment returns between 2016 and 2022. The expenditure claimed was in respect of personal protective equipment and accommodation during COVID and specialist equipment following a traffic accident. The FTT seriously doubted whether the expenditure had even been incurred and upheld HMRC's assessment of over £18,000 plus a penalty of nearly £11,000 for the deliberate behaviour in mis-reporting his self-assessments.

Introducing a new tax service from HaysMac: My Tax Partner

In today's fast-paced business environment, lean finance teams often find strategic tax planning slipping down the priority list – until it starts causing sleepless nights. Funding rounds, restructures, share schemes and international growth only add complexity, while shifting regulations make it hard to know what to prioritise. My Tax Partner turns tax into a source of opportunity, not just risk, helping you unlock reliefs, strengthen governance and structure for long-term growth. Acting as your embedded strategic tax director, we provide regular and ongoing senior-level insight and support across the tax landscape without the cost of a full-time hire, freeing your finance team to focus on what they do best. Find out more [here](#).



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Winner: Large Firm
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