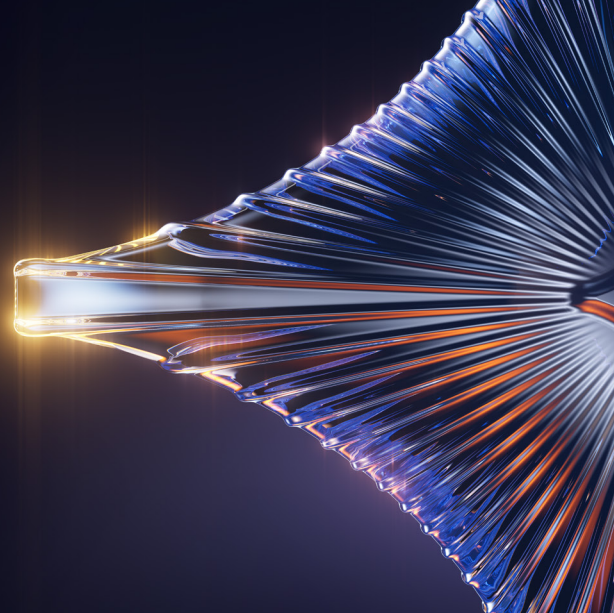


20 May 2026

Corporate and Private Client eNews



Record UK tax revenues

UK tax receipts rose by 9.3% in 2025–26, with HMRC collecting £938.8 billion. This was up £110.3bn from £828.5 bn in 2023–24. This growth was fueled by record VAT (£180.7bn), corporation tax (£101.4bn), and employer NICs (£143.9bn) receipts. The surge in employer NICs followed the April 2025 rate rises. CGT receipts jumped 62% to £22.2bn, but this is expected to prove temporary, reflecting a response to pre-Budget speculation of increased rates and reduced exemptions. Inheritance tax hit a fifth consecutive record (£8.5bn) due to frozen thresholds and reduced reliefs. PAYE income tax and self-employed tax receipts also rose partly reflecting fiscal drag.

IHT challenge rejected by High Court

The High Court has refused permission for a judicial review of the consultation process regarding the October 2024 inheritance tax reforms to agricultural and business property relief. The case had been brought by farmers Thomas and George Martin against the Chancellor and HMRC. The claim argued that Government policy documents from 2010–2017 created a legitimate expectation of full consultation before tax changes. Lady Justice Whipple rejected this, deciding there was no “clear and unequivocal promise” to consult, the claim was out of time and the matter was not justiciable. The Court accepted the Government’s argument that only a limited technical consultation was required and that wider consultation could have enabled forestalling.



FTT finds HMRC to be offside

The First-tier Tribunal (FTT) has ruled that professional football referees engaged by Professional Game Match Officials Limited (PGMOL) were not employees for tax purposes and rejected HMRC’s claim for income tax and NIC for 2014–16 which totalled c£600,000. This decision follows a long running dispute which had reached the Supreme Court where that Court instructed the FTT to revisit its decision and to take into account decisions in two previously decided cases. The FTT decided the referring arrangements were not contracts of employment but were contracts for services performed within a framework of regulatory oversight designed to preserve independence, integrity and high officiating standards. Please contact our **Employment Tax** team for assistance with engagement status issues.

Business confidence remains depressed

ICAEW's latest **Business Confidence Monitor** showed UK business confidence was improving in early Q1 2026 but deteriorated sharply following the outbreak of the Iran war, leaving the overall index negative, at -1.1, for a fifth consecutive quarter. Firms reported stronger domestic sales and export growth and easing input price inflation compared with late 2025, but geopolitical uncertainty has depressed future expectations. Although concerns about the tax burden eased slightly from the last quarter's record high they remain considerably above historical norms, whilst regulatory pressures stayed elevated. Labour costs were the most widespread challenge with energy price volatility adding further risk. Confidence varied significantly by sector.



End of P11Ds is nigh

The 2025/26 tax year sees the last time that employers can use the traditional P11D regime, which requires all forms to be filed online by 6 July 2026 together with P11D(b) returns for Class 1A NICs. Late submissions may trigger monthly penalties. In future, HMRC will require the mandatory payrolling of benefits in kind with tax and Class 1A NICs being reported and paid in real time through payroll. However, beneficial loans and living accommodation will initially remain outside the mandatory regime with a new registration scheme being developed for these. Please contact our **Employment Tax** team for assistance with payroll reporting requirements.

Conveyancers dealing with SDLT to register

HMRC has **confirmed that conveyancers** who submit Stamp Duty Land Tax (SDLT) returns, or handle stamp duty payments, will be required to register under the new mandatory tax adviser register. This applies even when SDLT work is outsourced. The online registration system launched on 18 May 2026 but there is a staggered deadline which depends on the services offered and the current nature of interaction with HMRC.



New audit standards on fraud and going concern

The FRC has published its **final revisions to ISA (UK) 240 (Fraud) and ISA (UK) 570 (Going Concern)** which align UK auditing standards with recent IAASB changes following public consultation. The revisions strengthen auditors' responsibilities on fraud risk assessment and transparency, particularly for listed entities, and reinforce going concern evaluations in response to recent corporate failures and heightened stakeholder expectations. As the UK adopted enhanced requirements ahead of the international revisions, the FRC expects minimal additional work for auditors. The revised standards apply to audits of periods beginning on or after 15 December 2026.

IFRS for SMEs consolidation exemption proposed

The IASB has proposed a consolidation exemption for certain intermediate parents to address an inconsistency with full IFRS which currently creates added complexity. This applies where a parent (or ultimate parent) is an investment entity that measures subsidiaries at fair value through profit or loss. If adopted, the amendment will be effective for accounting periods beginning on or after 1 January 2027, with early adoption permitted. The consultation closes on 9 September 2026 and aims to reduce reporting costs and implementation disruption.



And finally.... what's in a name?

ICAEW has revised its guidance on audit firm names following a high-profile case in which two similarly named firms were confused. The updated guidance aims to reduce the risk of mistaken identity and associated reputational damage, particularly for firms applying for audit registration or seeking to change their name. Whilst existing guidance already prohibited misleading names, ICAEW has strengthened it with clearer examples of unacceptable practices and criteria for assessing name similarity. Firms are urged to avoid names that could realistically be confused with others and to review the Register of Statutory Auditors. The changes are intended as proportionate guidance rather than new regulatory requirements.



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