HaysMac

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Corporate and private client eNews



2026 Autumn Budget

Late last month the Chancellor delivered his Budget with some support for entrepreneurial businesses through the new Founders' Relief, a new Capital Gains Tax (CGT) relief for founders and significant early investors in high-growth, innovative UK companies. A simplified claims process for R&D tax relief was also announced along with a rise in the Small Business Rate Relief. HaysMac produced a comprehensive summary of the Budget. If you have any queries, please contact your usual HaysMac adviser or Phil Clayton, Private Client Tax Partner.

Filing profit and loss accounts for small companies postponed

The Government has responded to the Small Business Regulatory Taskforce report in which it sets out plans to make regulation simpler, less costly for SMEs and announced a pause in the requirement for small and micro-companies to file profit and loss accounts at Companies House from April 2028. However, the commitment to mandatory software-only filing of accounts remains. The Government has accepted 14 of the Taskforce's 15 recommendations, including exploring a "Tell Us Once" service, reducing duplication in ONS surveys, improving GOV.UK guidance and digitising licensing. The response also says it will explore ways to streamline filings with HMRC and Companies House. Annual confirmation statements will, however, remain mandatory.



MTD threshold fall to catch 1.1 million taxpayers

HMRC estimates that a further 1.1 million sole traders and landlords will be brought into the Making Tax Digital (MTD) for Income Tax net when the annual turnover threshold drops from £50,000 to £30,000 next April. This will require them to keep digital records and submit quarterly updates using compatible software. HMRC is encouraging those taxpayers that are affected to sign up early to familiarise themselves with the new requirements and to select suitable software in good time. The MTD threshold is scheduled to fall further to £20,000 from April 2028.

FRC issues annual governance reporting review

The Financial Reporting Council (FRC) has issued its Annual Review of Corporate Governance Reporting which assesses governance reporting against the UK Corporate Governance Code, the first against the 2024 Code. Although the review found more explained departures from the Code, which facilitated governance adapting to individual circumstances, it found the quality of explanations to be variable and needed improvement. The FRC stresses that high-quality reporting should be clear, concise and company-specific, rather than be boilerplate. Companies should explain how governance arrangements work in practice and focus on the outcomes achieved. With the 2024 UK Corporate Governance Code being phased in, boards should be preparing for new requirements, particularly Provision 29 on material internal controls, which will increase the focus on demonstrating effective risk management and internal control processes.



FCA to regulate ESG rating providers

The FCA has published new rules which will see environmental, social and governance (ESG) rating providers being regulated for the first time. The objective is to improve the transparency, reliability and comparability of ratings used by investors. The regime introduces requirements regarding governance, systems and controls, transparency, conflicts of interest and engagement with users and rated businesses. ESG rating providers can apply for FCA authorisation from 24 June 2027, with the new regulatory framework taking effect on 29 June 2028. Businesses providing ESG ratings will need to be authorised and have the necessary FCA permissions from 29 June 2028.

FRC strengthens ISAs on laws and regulations

The FRC has revised ISA (UK) 250 and ISA (UK) 270 to strengthen how auditors assess risks arising from non-compliance with laws and regulations. The new standards move towards a more risk-based and scalable approach, emphasising professional judgement rather than checklist-driven procedures. They also align more closely with the risk assessment framework in ISA (UK) 315 and reflect recent developments, including the Economic Crime and Corporate Transparency Act 2023. Enhanced guidance aims to ensure proportionate and consistent implementation. The revised standards apply to audits of financial statements for periods beginning on or after 15 December 2027.

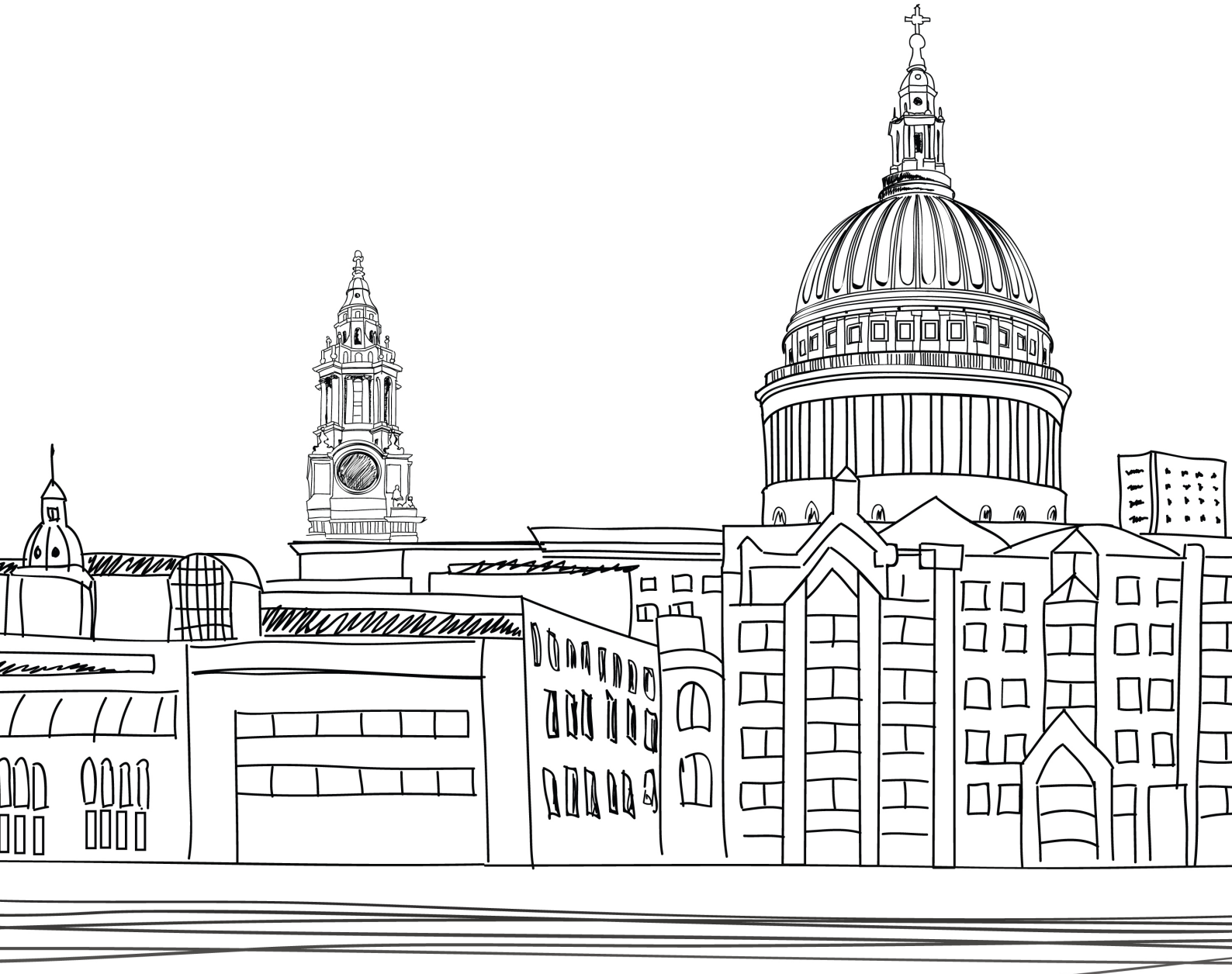


Tax-ing fares

Filings made by Uber for the New York Stock Exchange have revealed it is challenging HMRC's assessment for c£2.6 bn of VAT between March 2022 and December 2025. The dispute arises from Uber's use of the Tour Operators Margin Scheme (TOMS), under which it calculated the VAT due on its margin, rather than the full passenger fare. Uber has paid c£1.4bn and expects to pay a further £1.2bn whilst pursuing an appeal. Uber believes its appeal will be successful and for the sums to be refunded with interest. Revisions to legislation explicitly prevented private-hire operators using this treatment from 2026. Please contact our VAT department if you require assistance with your VAT matters.

And finally..... scammers leveraging Outlook outage

Following last week's global outage of Microsoft's Outlook, HMRC has issued an alert regarding fraudsters pretending to be from Microsoft calling taxpayers and asking them for their HMRC username and password details. HMRC will never ask you to provide personal information or sign in details on a phone call, text or email. Reports of other fraudulent activity attempts on the back of the outage are also circulating. The National Cyber Security Centre is recommending everyone exercises caution around unexpected calls and messages, especially those containing links.



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