



This is a summary of the key tax events for the week ended 6 October 2019.

It has been compiled by Lindsey Wicks and Anita Monteith.

This newswire contains all the individual postings we have made to the Tax Faculty website over the past seven days. It includes various news items (ion.icaew.com/taxfaculty).

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Accounting for import VAT in a no-deal Brexit

ICAEW campaigned for VAT postponed accounting to be introduced in a no-deal Brexit scenario, but what does that mean?

VAT postponed accounting means that importers will be able to declare and recover import VAT in their next VAT return, rather than when their goods arrive at the UK border. To do this they will need to provide their VAT registration and EORI number on their customs declaration. If the UK leaves the EU without a deal, it will also be possible to use VAT postponed accounting when they import from the rest of the world.

If there is a deal, then postponed accounting may not be introduced.

ICAEW has produced a [guide](#) to navigate through the various sources of government guidance available to help understand the implications of Brexit. Postponed accounting is just one of many topics covered in the guide.

Further guidance on Brexit can also be found in [ICAEW's Brexit hub](#).

Ultimate guidance to off-payroll working rules from April 2020 (or IR35)

Do you or your clients work through personal service companies? [TAXguide 14/19](#) is a comprehensive guide to the new off-payroll working rules beginning on 6 April 2020 and how to implement them.

The Tax Faculty team and our volunteers have brought together this analysis of the rules which will apply from next April. We have based this on the information currently available and discussions with HMRC.

New rules were introduced for public sector contracts in 2017, but these are changing further and are scheduled to include many private sector contracts from 6 April 2020. The onus of compliance is, in these cases, moved from the PSC to the client, or to the agency making the arrangements and payments.

It is important to remember that even though the administration and responsibilities around off-payroll working have changed, the underlying rules for determining whether a worker is employed or self-employed have not. The distinction remains fundamental to the question of whether IR35 or off-payroll working rules should apply, as it is still aimed at combatting 'disguised employment'.

TAXguides are published by the Tax Faculty for Tax Faculty members to provide practical guidance to practitioners on important developments to tax practice and policy.

You do not have to be an ICAEW member to join the Tax Faculty. Our [current promotional offers](#), closing shortly, include a special £25 offer for membership until 31 December 2019. Join now!

Advanced notification for UK VAT registration

HMRC has updated its processes to allow businesses to submit advanced notification of VAT registration with the effective date being 1 November 2019. This will help businesses prepare should the UK leave EU without a deal and facilitates trade with as little disruption as possible.

Non-UK businesses in the EU who are currently not required to VAT register in the UK owing to cross-border simplifications, such as call-off stock arrangements and the zero-rating of intra-community acquisitions of goods and accounting, may need to register for VAT if the UK leaves the EU without a deal.

EU businesses can now submit advanced notification of UK VAT registration where it is necessary for them to do so. [VAT notice 700/1](#) has been updated to include specific guidance relating to the information that a business must include to ensure their notification is approved.

A VAT number will be issued but it will not be active until the UK leaves the EU without a deal. In the event the UK reaches an agreement with the EU to leave with a deal in place, then these registrations will be cancelled as they will be no longer required.

Recent changes to entrepreneurs' relief – further clarification from HMRC

Finance Act 2019 (FA 2019) amended the definition of what constitutes a 'personal company' for the purposes of entrepreneurs' relief (ER). Those amendments took effect, broadly, for disposals on or after 29 October 2018. The stated policy objective behind the amendments was to ensure '...that the claimant has a true material stake in business in order to claim entrepreneurs' relief.'

[TAXguide 04/19: Entrepreneurs' relief](#): Clarification of the new 5% proceeds test looked at the new economic interest test. Following the publication of that TAXguide further questions have arisen on the Finance Act 2019 entrepreneurs' relief legislation:

- A. Condition (i): entitlement to profits and to assets in a winding up

B. Entrepreneurs' relief: shares or securities: personal company: dilution election

The Tax Faculty has therefore raised questions with HMRC in order to explore these complexities. HMRC's replies are set out in full in [TAXguide 13/19](#): Further questions on Finance Act 2019 changes. These responses are published with the approval of HMRC and with ICAEW's thanks to HMRC for their engagement.

These TAXguides are available to Tax Faculty members. If you would like to join the Tax Faculty to access this and other material, please see [icaew.com/jointf](https://www.icaew.com/jointf) for our latest offers. You do not need to be a member of ICAEW to join the Tax Faculty.

PAYE Settlement Agreement payment deadline

HMRC has advised, in a [post on its agent blog](#), that some employers with a PAYE Settlement Agreement (PSA) may not have received a payslip notifying them of the amounts they owe under their PSA for 2018/19.

HMRC is reminding such employers that they should still pay any tax and National Insurance contributions due under their 2018/19 PSA by 22 October 2019 (19 October 2019 if paying by post) even if they have not received confirmation of their calculation or a payslip.

The contact phone number for the HMRC PSA team is 0300 322 7077.

HMRC has upgraded the online agent forum

On 7 October 2019 HMRC launched an upgraded online agent forum on a new platform.

The previous service has been decommissioned and current threads migrated to the new platform.

The new service is available from <https://community.hmrc.gov.uk> and the registration instructions are contained in the [pdf document on this post](#). The instructions are the same for users of the old platform and for new users.

In order to gain access to the agent specific forums, users need to select the 'Request agent forums access' box on their profile page, provide their professional body membership details and wait for a further email from HMRC to confirm that access to the agent specific forums has been granted.

The Tax Faculty encourages all members in practice to participate in the forum and to use it to report HMRC service issues that may be widespread. Information about service issues and other updates often appear on the forum before being published elsewhere. Client identifying details should not be posted on the forum; it is recommended that after posting an issue any relevant details along with other evidence be emailed to agentforum.wt@hmrc.gov.uk. This email address can also be used for any queries on how to use the forum.

The Issues Overview Group (IOG), which includes representatives from each of the major professional bodies, monitors the issues on the forum and escalates those which require further investigation beyond the response from HMRC. The ICAEW representative on IOG is caroline.miskin@icaew.com.

MTD for VAT for GIANT users – further deferral

In June 2019 HMRC wrote to the approximately 600 organisations who are required to use the VAT GIANT system to submit additional information with their VAT return (the VAT 21 form) to inform them that their MTD deferral period would be extended.

At that time HMRC advised that it would write again with more information about timings for when they would be required to join MTD. HMRC has now written to these organisations to tell them that they will not be required to join MTD before April 2022.

This will enable HMRC to take into account the outcome of the HM Treasury review into the VAT refund rules for central government, which will cover the future reporting requirements for GIANT users and could lead to changes to these rules. GIANT users should continue to submit their VAT returns as they do now.

Webinar: Brexit – What businesses need to do now

ICAEW will be hosting this webinar on Thursday 10 October at 10am.

John Boulton, Technical Strategy Manager at ICAEW and Frank Haskew, Head of ICAEW's Tax Faculty will cover both the main steps that businesses should take to prepare for Brexit and specific implications for accounting, audit and tax.

ICAEW members will need to make sure that they're aware of the major implications of Brexit and what they need to do to make sure they're ready. This webinar will provide the essential information that they need to know.

If you're running a business and would like to know the headline points so you're ready for Brexit, this webinar will also be for you.

Registration details can be found at <https://events.icaew.com/pd/14837/brexit-what-businesses-need-to-do-now>

TAXline October 2019 – read it online

Tax Faculty members should by now have received the hard copy of the October issue of our monthly magazine, *TAXline*.

Did you know you can also access [TAXline on our website](#)? Each issue is uploaded in user-friendly html format, so you can see at a glance what's in the magazine and access the content you want.

In the October 2019 issue:

- Iain Wright, ICAEW director for Business and Industrial Strategy provides [insight into tax policy creation](#);
- Sarah Bradford considers the tax treatment of [employees working from home](#);
- Tony Monger reflects on a decade of the [senior accounting officer regime](#);
- the cover story by Sofia Thomas considers the role that advisers can play in [preventing economic abuse](#);
- Neil Warren reviews a recent tribunal decision on the [VAT partial exemption](#); and
- we have the [final set of reports from the Tax Faculty's conference](#), [deadlines and dates for your diary](#), and our popular [Practical Points](#) section.

Our cover story is freely available. The rest of the content is exclusively available to for Tax Faculty members and subscribers.

To find out more about the other benefits of joining the Tax Faculty including the current offers available, see [Join the Tax Faculty](#).

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About ICAEW

ICAEW connects over 149,000 chartered accountants worldwide, providing this community of professionals with the power to build and sustain strong economies.

Training, developing and supporting accountants throughout their career, we ensure that they have the expertise and values to meet the needs of tomorrow's businesses.

Our profession is right at the heart of the decisions that will define the future, and we contribute by sharing our knowledge, insight and capabilities with others. That way, we can be sure that we are building robust, accountable and fair economies across the globe.

ICAEW is a member of Chartered Accountants Worldwide (CAW), which brings together 11 chartered accountancy bodies, representing more than 1.6 million members and students globally.

About the Tax Faculty

Internationally recognised as a source of expertise, the Tax Faculty is a leading authority on taxation. It is responsible for making submissions to tax authorities on behalf of ICAEW and does this with support from more than 130 volunteers, many of whom are well-known names in the tax world.