Welcome from the editor, November 2017

Welcomes

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What does it mean to me?

Our key points boxes have received a lot of positive feedback since we introduced them a couple of years ago. Members often tell us that an article that at first glance didn't seem relevant turned out to be a timely focus.

This month we have three articles which on the face of them might seem to be of minority interest but which all have wider applications and lessons to be learned for practices of all sizes.

Reserved legal activities

This isn't aimed at just the legal profession. Margaret Curran discusses new guidance which the CIOT and ATT have recently produced for members for use when HMRC are suggesting using a deed to settle a tax enquiry. Members should be aware that they are not authorised to carry on a reserved legal activity unless they are also members of the Law Society or the Bar. The guidance explains that the drafting, preparation and execution of deeds is a 'reserved activity' under the Legal Services Act 2007 which can only be carried out by an authorised or an exempt person. Members should refer to the guidance to ensure they understand the legal implications and whether they need to seek the help of a lawyer.

Failure to prevent the facilitation of tax evasion

This isn't aimed at just those that specialise in international tax or tax dispute resolution. John Preshaw considers the new provisions for failure to prevent

facilitation of tax evasion, and looks at the next steps for advisers. In general, consideration should be given to the extent to which advisory work regarding non-UK income, assets or gains could give rise to the risk of penalties for an adviser. If an adviser knew that their actions would, or would be likely to, enable offshore non-compliance they are within the provisions and these could apply where their client carelessly, rather than deliberately, failed to comply with a tax obligation. The CIOT has issued guidance in this area and this considers where advisers might be at risk of conflicts arising.

Senior Accounting Officers and VAT

Adrian Houston looks at a recent VAT case on the responsibilities of Senior Accounting Officers (SAOs). Before I read Adrian's article I assumed that I wouldn't find any relevance for my small practice. He discusses a case where HMRC considered that a SAO, breached their main duty by failing to conduct, or have in place any system of, selective or 'thematic' testing or sampling of figures in the VAT returns, or of individual transactions to ensure that the figures in the returns were correct. The legislation required the SAO to take 'reasonable steps' and the question was whether, in the circumstances of this case, selective testing was a reasonable step. The judge was not satisfied that it was, due to the significant other system controls that were in place and the work and involvement of KPMG. The case is a timely reminder that with MTD for VAT just round the corner, those responsible for the submission of returns should consider whether their systems will be sufficient to deal with the potential obligations under this new regime.

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