# Welcome from the editor, February 2015

Welcomes

01 February 2015

A feast of penalties

After the madness of tax return season, I always find that February is when I start to think about the year ahead. It's a time for a diet of self-assessment after the indulgences of January. But for taxpayers who didn't submit their return on time they will soon receive an automatic late-filing penalty.

Penalties generate a substantial amount of income for HMRC. In 2014 it was reported that they issued £71 million worth of late £100 filing penalties, or as one press release in January stated, 681.8 million Jaffa cakes!

## Daily Penalties

Following on from the automatic penalties we have the more convoluted statute relating to daily penalties. On page 38 Keith Gordon explains the Donaldson case, which concerns HMRC's appeal against a First-tier ruling that the legislative requirements concerning the daily penalties had not been met.

## High Income Child Benefit Charge

On page 28 Rebecca Benneyworth explains how a revocation of the election not to receive child benefit falls within the penalty regime. She says that, although it is arguable that the penalty legislation cannot apply to the return because it was correct when 'given' to HMRC, the legislation was written when subsequent events could not affect the liability to tax for a particular year.

## Liechtenstein Disclosure Facility

There are an increasing number of disclosure facilities available to reduce a taxpayer's exposure to penalties for non-compliance. On page 20 John Cassidy and Hayley Ives highlight that there are still common misconceptions about taxpayer eligibility for the Liechtenstein Disclosure Facility.

## Penalties

Recently, I had to explain the penalty system to a client who had made a real mess of submitting his tax return online – you can read more about that case in my In practice article on page 26. I referred to it as the 'new regime' before I realised that the provisions have been in place for more than five years now – doesn't time fly?

> **February is a time for a diet of self-assessment after the indulgences of January**

## Capital Taxes

A truly new regime is the taxing of gains realised by non-UK residents which will be effective from April 2015. On page 32 Aparna Nathan summarises the draft legislation and explains that the additional capital gains tax provisions apply only to disposals of UK residential property interests and not to interests in other property: in particular, it does not apply to interests in personal property nor to interests in commercial property.

## Employment Related Securities

Another set of measures that takes effect from April 2015 is the new legislation to change the UK taxation of share income for internationally mobile employees. On page 23 Robert Jennings and Rob Pearce explain that the new rules may significantly change the UK income tax and NIC treatment of employment related securities for internationally mobile employees.