Welcome from the editor-in-chief, March 2018

Welcomes

01 March 2018

Spring cleaning

At this time of year I am sure I'm not alone in spending time reflecting both on the year gone by and to look forward at how tax changes may affect my clients. Jane Mellor considers twelve professional standards topics that members need to consider to stay compliant. It includes a very helpful checklist covering areas where legal requirements or guidance has changed over the last year.

Property and trading allowances

The £1,000 allowances for property and trading income came into force with effect from 2017/18 onwards. The allowances are of most benefit to micro-entrepreneurs, such as those with secondary incomes, for example letting property through sites like Airbnb, and trading vie e-market places. Although limited in application, these allowances are useful, Lynne Poyser provides practical guidance on claiming the allowances.

Transfer pricing

Following the publication by the OECD of the final Base Erosion and Profit Shifting papers in October 2015, HMRC has revisited its approach to transfer pricing, and with the introduction of an onerous anti avoidance regime in Diverted Profits Tax, many multinationals have found themselves under increased scrutiny. Peter Steeds and Paul Fields look at trends in HMRC's post-BEPS approach to transfer pricing and expect that HMRC will continue to focus a significant proportion of its resources on cross-border transactions for the foreseeable future.

Requirement to correct

The requirement to correct provisions create a new legal requirement for anyone who has undeclared UK tax liabilities involving offshore matters or transfers to disclose the relevant information about their non-compliance to HMRC by the 30 September 2018 deadline. Geoff Lewis highlights that anyone who needs to come forward and correct their affairs should do so as soon as possible.

Mixed funds

The opportunity to cleanse mixed funds is a good one. The hope for this legislation is that it will free up capital and that non-dom resident clients can return to the UK and support the UK economy. Gary Ashford notes that used carefully, the access to new clean capital clearly assists in offsetting some of the challenges of deemed domiciled.

Professional negligence

The *Baxendale Walker* case considered whether a reasonably careful practitioner with the degree of expertise claimed should have warned his client that there was a significant risk of an EBT failing to deliver the anticipated tax advantages. The High Court had found that Mr Baxendale Walker had not been negligent. The Court of Appeal took the opposite view. Harriet Brown considers what we can learn from the *Baxendale Walker* case on professional negligence.