Welcome to the July Technical Newsdesk

Welcomes

01 July 2018

I stated last month that Making Tax Digital (MTD) articles were something of a staple diet when it comes to Technical Newsdesk, only to prove myself wrong this month by not having one! But that doesn't mean that all is quiet on the MTD front. For example, our webinar on 7 June was watched by more than 800 people, and the webinar and slides can be viewed / downloaded from the CIOT and ATT websites. We also expect that, by the time the July issue of *Tax Adviser* has been published, the MTD VAT Notice will have been released. Keep an eye out for it on GOV.UK, and we will also highlight it on our websites. MTD also features quite prominently in the work of the Indirect Taxes technical sub-committee, which is the focus of this month's 'spotlight' on our work.

We get into the meat of this month's Technical Newsdesk by highlighting the submissions made by CIOT, ATT and LITRG in relation to the Treasury Committee (and its Sub-Committee) Inquiries into VAT, tax avoidance and tax evasion, and the conduct of tax enquiries and the resolution of tax disputes. Our work to try and improve the tax system does not stop at HMRC and HMT, and written and oral evidence in relation to these Inquiries is an important part of our work. It was particularly reassuring, therefore, to hear how the Treasury Committee holds HMRC and HMT to account when Nicky Morgan MP, Chair of the Treasury Committee, gave the 2018 CTA address and explained the role of the Committee – to bring 'scrutiny and accountability' to the tax policy process. More information can be found in the CIOT blog.

The Treasury Committee's Inquiries have fallen squarely within 'consultation season' which, under the new fiscal timetable, means that initial consultation for next year's Finance Bill takes place in spring this year. Amongst other things, we have criticised the government's plans to implement a new tax assessment time limit of 12 years in cases involving offshore matters; highlighted the complexity of the existing EIS and

SEIS schemes when responding to HMT's consultation on the introduction of a new approved fund structure within EIS for knowledge intensive companies; cautiously welcomed, but highlighted the likely practical problems, with the proposal to allow Entrepreneurs' Relief on gains accruing before dilution of a shareholding to below 5%; expressed concerns around proposals to tackle avoidance schemes where profits of trades or professions are moved outside the charge to UK tax ('profit fragmentation'); highlighted the practical difficulties, and proposed solutions, to the forthcoming shorter payment window and filing deadline for capital gains tax on residential properties; called for broader debate on the taxation of employment; and provided evidence from our member survey in relation to the call for evidence on the VAT registration threshold.

Finally, we report our work with HMRC on the VAT Notice 700/9 update: transfer of a business as a going concern, before LITRG sets out some technical points to be aware of in relation to the marriage allowance, and then highlights the Work and Pensions Committee report on Universal Credit (UC) and self-employment, which makes a number of recommendations that echo those made by LITRG in its October 2017 report and in written and oral evidence to the Committee.

You may have noted in the above that I have not, this month, named the individual authors of the articles (whose names you can see in the index anyway). This is not because those individuals don't deserve the recognition for their work (which of course they do) but, perhaps because we are in consultation season, the CIOT, ATT and LITRG technical teams have worked collaboratively, both within their own team, and across the three teams, on the various consultations and calls for evidence, so there are too many authors to mention! It is vital that we work smartly, with our limited resources, to get the biggest 'bang for our buck', especially in these busy times. Of course, you could help us in our efforts by volunteering...