ATT welcome, September 2018

Welcomes

01 September 2018

Paradise Lost?

I hope that you managed to get away and have had a good summer. Those of us who stayed behind in the UK were treated to a heatwave that made me wonder at times whether I was in a tropical paradise. Not a complaint, by the way! Tropical paradises are good. They may however spell danger for some as the last few months have seen what started as a drizzle turn into a monsoon of letters from HMRC, asking questions of clients that they (HMRC) think may have taxable income or gains overseas that have not been reported. These letters are all in relation to the 'Requirement to Correct' which requires taxpayers who have any outstanding offshore tax non-compliance as at 5 April 2017 to correct the position before 30 September 2018. If the taxpayer does this, he/she will pay tax, interest and penalties under the current rules. Those unfortunate enough not to meet this requirement will face 'failure to correct' penalties, which will be a minimum of 100%, yes 100%, of the tax due. Penalties… I may revisit these in the future, but back to the letters.

The tone of the letters has been less than friendly. Some have also arrived with a form titled 'Certificate of tax position – To complete and return to HMRC', asking that these be completed and returned within a month of the date of that letter.

I have knowledge of a pensioner who was taken out of self-assessment in 2015. It did not help that he was not in the country when the letter arrived. When he finally opened the letter, the 'deadline' for submission of the form was imminent. Cue a half hour telephone call to try and explain to him why he had to deal with this even though he had already been taken out of self-assessment. Oh, by the way, a new engagement letter was required. Yes, he is non-dom. No, he has not claimed the remittance basis. It transpires that he may have income that is only taxable in the recipient country as a result of the double tax agreement with the UK but we need

information from that country. He has no idea who to contact there… A luta continua. Meanwhile, the form…

I appreciate that not everyone will be in a similar situation but, for those of you who have returned from holidays to a number of these letters, it could be a busy September. Please note that HMRC have announced circumstances where information can be supplied after 30 September without being liable to these penalties. The CIOT and HMRC held a very informative webinar on this and other related matters on 18 July.

For those with 'normal' tax affairs, we should all now be familiar with online exclusions. Our ever-helpful technical team have provided a simplified summary of the online exclusions for 2017/18 so that, to borrow Helen's phrase, 'you don't have to'. If you are involved in filing tax returns, it is a must read.

I have come to love the ATT qualification and, as an educational charity, our exams provide a direct route into obtaining professional qualifications whatever your background. I was at a family event the other day and a number of parents were discussing options for their children who were awaiting their A level results. This gave me the opportunity to sing the praises ofthe Trailblazer scheme. The ATT is part of the Level 4 Professional Tax Technician Apprenticeship standard. This route enables Apprentices to study for the qualification while getting paid. No University fees! There are also benefits to you as an employer and, if you have not considered this before, please take a look. You will be glad you did.

The joint AAT-ATT Sharpen Your Tax Skills Series 2018 kicks off in October and I am already looking forward to the first one in London on 6 October.

Before then I will be attending the CIOT's Autumn Residential Tax Update Conference. I always try to attend these conferences as, in addition to the excellent technical content, they provide amazing value for money. This year's conference is to be chaired by the legend that is Robert Jamieson, who won a Lifetime Achievement Award at the Tolley Taxation Awards this year. I remember being sat in the front at one of his talks many years ago and being taken aback when he leaned forward towards me, both hands in his jacket pockets, looked me straight in the eye and asked, 'Can you see that…'. I nodded. Enough said. Be there.

And finally, I watched the World Cup semi-final between England and Croatia at the ICAEW offices. I enjoyed writing that. Indeed, if that was all that was to be written

about that, it would be enough for me. It was however at the end of a very interesting Wyman Symposium on Employment status. Others will write up the event (which examined the issues from different perspectives) but I have taken the liberty to paraphrase some one-liners from each speaker: ‘Bust the myths, NI is not insurance’; ‘Self-employed should pay the same amount of NICs’; ‘When devising policy, it’s important to ask the right question’; and ‘Get the labour model right, then bolt-on the tax’.

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