Welcome to the November Technical Newsdesk

Welcomes

01 November 2018

Well, I'm writing this on a murky Monday morning (15 October – or am I? See below) after perhaps one of the strangest weather weekends I've experienced.

Two days at Brands Hatch (British Superbikes) seemed to comprise the last day of a fantastic summer (sat in shirt sleeves on a glorious Saturday almost getting sunburnt) and the beginning of autumn (hunkered down on Sunday under a brolly, wearing many layers). Of course, by the time you read this, we will be well into autumn, and the Chancellor will have delivered his Autumn Budget.

The apparent overlapping of seasons brings me first to Making Tax Digital. Although we had been told by HMRC that the 'public beta' testing phase of MTD for VAT would commence in the summer, it finally began on 16 October. So by the time you read this, you will no doubt have seen the various commentary and information on GOV.UK (a good starting point is the landing page) and the CIOT/ATT/LITRG websites. The late edit of this introduction is an indication of how quickly we now expect things to develop around MTD, such as the availability of MTD compatible software, communications and publicity by HMRC, and expansion of who can join the pilots. Indeed, there is important information around this, and the deferral of mandation to 1 October 2019 for a small but important proportion of the mandated population, on GOV.UK. Whilst we have now entered the public testing stage, we remain concerned about the timescales and the short testing period. It is in this regard that we, along with the ICAEW, recently wrote a joint, private letter to Mel Stride (the FST) expressing concerns about mandation of MTD for VAT from 1 April 2019; suggesting how the impact might be relaxed and how we could help. MTD for VAT also formed part of the House of Lords Economic Affairs Finance Bill Sub-Committee inquiry, and our written and oral evidence is reported on below. Keep an eye on our websites and the weekly newsletters for more updates on this. We have a

wide variety of articles in this month's Technical Newsdesk, but let me highlight just a few. First is our usual spotlight on a technical sub-committee, and this month we look at the work of the Scottish Technical Sub-Committee (STC). The increasing devolution of taxes brings many challenges and complexities, and our STC works hard across all areas of devolved and assigned taxes, and has excellent engagement with key policy-makers. As you may have already seen, we recently set up a Welsh Taxes Sub-Committee (modelled largely on the success of the STC), as the pace of devolution increases.

Secondly, we have two areas in which we would value your input. The first of these concerns the implementation of 'DAC6' in early 2019. DAC6 provides for the mandatory disclosure of reportable cross-border arrangements to tax authorities and the mandatory automatic exchange of this information amongst EU member states. The CIOT is expecting to meet with HMRC in the coming months to discuss implementation of DAC6, so we would like to hear from you. The second area concerns issues that have been raised with us around the personal tax account, hypothetical code numbers and dynamic coding. More detail on these issues, and how to get in touch, are set out in the Technical articles.

The third area I would like to highlight is around HMRC's powers. We receive many reports from members of instances where they believe HMRC are making premature or inappropriate use of their powers, or indeed overstepping them. This is of course a very emotive area. We have highlighted our concerns in the response to the recent consultation Amending HMRC's Civil Information Powers, and in our written and oral evidence to the House of Lords Economic Affairs Finance Bill Sub-Committee. We are in dialogue with senior HMRC management about our concerns.