Client notification obligations on persons who give offshore advice or services – Section 50 Finance (No 2) Act 2015

Management of taxes **OMB**

01 April 2016

CIOT and ATT request for comments from members

Section 50 of Finance (No 2) Act 2015 introduces an obligation on tax advisers and other persons who, in the course of their business, give financial or legal advice or services to another person. The obligation is on advisers who give 'offshore advice or services' to send an HMRC-branded notification and a covering letter from the business, with set wording in it, to current clients who are individuals and those who were clients in the 12 months to April 2016. There is an option to send the notification to all clients if it would be too onerous to identify individual clients.

This will therefore affect many of our members who provide this kind of advice.

The CIOT and ATT have already made strong representations to HMRC about what could be a very onerous obligation for many tax advisers.

At the time of writing we are awaiting publication of revised draft regulations and guidance. We understand that HMRC is addressing a significant number of the concerns that stakeholders have raised.

Once the draft regulations and guidance are published they will be posted on the CIOT and ATT websites under the 'consultations' tab. The deadline for submitting comments to HMRC is 22 April 2016. You can send these to technical@ciot.org.uk and atttechnical@att.org.uk, or directly to HMRC at crs.consultation@hmrc.gsi.gov.uk.

We understand that it is intended that the regulations will come into force by 30 June 2016, with the notification obligation to be fulfilled between then and 30 April 2017. We will put out a further message to members in Tax Adviser and on our websites after the regulations are finalised and we know what action members must take.

The details of the CIOT's representations to the Finance Bill committee and to HMRC on the draft legislation introducing these measures last year were outlined in November 2015's Technical Newsdesk. The full text of the CIOT's submission can be found here.