Welcome to July’s Technical Newsdesk

Welcomes

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a week is a long time in politics’, which means the timing of writing this month’s introduction to Technical Newsdesk (12 June) could not come at a more difficult time. If the previous government had been re-elected, I would have been writing about the clauses dropped from the last Finance Bill, and the expectation (based on the comments by Jane Ellison when she introduced the Finance Bill into Parliament) that they would simply be re-tabled in a new Finance Bill and things would return to relative normality. However, what has happened is a hung Parliament, a possible ‘partnership’ between the Conservatives and the Democratic Unionist Party, and Jane Ellison (the Financial Secretary to the Treasury) has lost her seat. The election result therefore adds to the uncertainty as to whether the more controversial proposals will attract sufficient support to be enacted. This will probably all be old news by the time you read this and (hopefully) we will have some certainty over the various tax-related measures currently in abeyance. But one thing is for sure, life in the world of tax will never be dull.

Although the election has caused a delay in certain matters, the work of the Technical Team continues. Space permits me to just briefly highlight a number of the articles which follow this month. We open with a summary of the CIOT and LITRG’s submissions to the Independent Review of the Employment Practices in the Modern Economy (the Taylor review), and Matthew Brown and Meredith McCammond highlight the importance of tax in this area – something not formally within the remit of the review. Meredith then goes on to review the new rules which were introduced over a year ago, limiting home to work travel and subsistence expense relief for workers employed through an intermediary (such as an umbrella company), and how they are operating in practice.

A number of tax consultations closed during the election period, and other submissions have been made in response. Sacha Dalton reports on our response to

the consultation on bringing non-resident companies within the scope of corporation tax, and also our comments on the draft guidance on the operation of the hybrid and other mismatch rules. Angela Fearnside summarises the CIOT response to the proposals to introduce a VAT domestic reverse charge in the construction sector, to combat fraud and non-compliance. The CIOT, ATT and LITRG have also just responded to the Making Tax Digital consultation document on sanctions (aka penalties) for late submission and payment, and we will report on those in more detail next month.

Finally, we have a ‘guest’ article from Charlotte Ali from our Professional Standards team, highlighting the importance of client due diligence and the proposed changes in this area. I look forward to reporting on normal service being resumed next month!