

9 March 2022

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1. General

1.1 Guidance published on clamping down on promoters of tax avoidance

HMRC has published guidance on the new rules in FA2022 that allow it to publish more information about those who promote tax avoidance schemes.

The newly in-force FA2022 includes provision for HMRC to publish information about some categories of persons, including promoters, suspected of being involved with tax avoidance schemes. The guidance explains how HMRC intends to apply these rules in practice, including examples of information that might be published, where it would be published, and appeal rights for those affected.

www.gov.uk/government/publications/clamping-down-on-promoters-of-tax-avoidance-guidance

2. Private client

2.1 Two new papers on tax simplification

The Office of Tax Simplification (OTS) has published two companion notes to its everyday tax evaluation paper. These look at the high income child benefit charge (HICBC) and the single customer account.

The evaluation update paper on the operation of the HICBC notes the general lack of awareness of the charge. It suggests areas where guidance could be improved, and how parents could be made aware of the issues earlier.

The update paper on the single customer account looks at key issues, such as how it will be introduced, and current plans for its workings. It notes the risks of errors, similar to those seen with the current PAYE coding system, but also the potential benefits of bringing together different data sources for one taxpayer.

www.gov.uk/government/publications/ots-evaluation-paper-on-the-high-income-child-benefit-charge

www.gov.uk/government/publications/ots-evaluation-paper-on-the-single-customer-account

2.2 HMRC updates guidance on late filing penalties

HMRC has announced that, as last year, agents will be allowed to submit bulk appeals against late filing penalties. These can only be used where the reasonable excuse is COVID-19 related.

HMRC has confirmed that COVID-19 related reasons may be a reasonable excuse for late filing of a self-assessment return. The criteria for an agent to submit bulk appeals are the same as last year, including that only up to 25 appeals can be submitted per bulk appeal form.

www.gov.uk/guidance/bulk-filing-of-self-assessment-appeals-for-multiple-clients

2.3 Top slicing relief win for taxpayer

The FTT has found for a taxpayer who sought to use a more beneficial method of calculation for top slicing relief. Legislation introduced in the March 2020 Budget prevents this method from being used currently, but questions have remained around claims for earlier years.

When the taxpayer died in the 2017/18 tax year, chargeable event gains arose on his life insurance policies. The return was submitted by his executor using the calculation method that HMRC deemed correct, but a note was included in it to appeal for a more beneficial method of calculation. This was that he should be entitled to use his personal allowance in a way to give a lower tax liability, and to claim the personal savings allowance.

Historically this part of the legislation has been thought to be unclear. In the March 2020 Budget, the Government introduced provisions that the less beneficial method of calculation was the only one that could be used from then on. HMRC's view was that this applied retrospectively.

The FTT rejected that argument, finding for the taxpayer that the more beneficial method of calculation was permissible. It considered the case that led to the change in the law, and ultimately agreed with its findings.

Sally Judges (as representative for the late R Young) v HMRC [2022] UKFTT 77 (TC)

www.bailii.org/uk/cases/UKFTT/TC/2022/TC08408.html

3. Trusts, estates and IHT

3.1 Guidance published on transferring the IHT nil rate band

HMRC has published a page of guidance on the operation of the transferable nil-rate band on the death of a spouse or civil partner. This does not contain new information, but sets out the basic rules.

The new guidance sets out the conditions for eligibility, as well as how to make the claim, and how to calculate the IHT saving.

www.gov.uk/guidance/transferring-unused-basic-threshold-for-inheritance-tax

4. Business tax

4.1 HMRC publishes new guidance manual on notification of uncertain tax treatments

Following the recent consultation, HMRC has published its guidance manual on uncertain tax treatments by large businesses to clarify how the new regime will apply and to assist taxpayers manage their obligations.

The new measures will require large businesses to notify HMRC when they adopt tax treatments that are uncertain. These will apply to returns due to be filed on or after 1 April 2022 where the tax advantage is at least £5m. Relevant taxes include CT, income tax (including PAYE) and VAT. 'Large business' for these purposes means businesses with a UK turnover exceeding £200m or a UK balance sheet total exceeding £2bn.

A tax treatment will be uncertain and needs reporting if a large business meets one or both of two triggers. These are that a provision has been made in the accounts in respect of an uncertain tax outcome, or the position taken differs from HMRC's known interpretation of the law. Exemption from formal notification can apply in some circumstances.

There has been little change between the draft and final guidance, although additional clarification has been provided on the notification triggers.

www.gov.uk/hmrc-internal-manuals/uncertain-tax-treatments-by-large-businesses-manual

5. VAT

5.1 HMRC guidance on VAT refunds and Brexit

HMRC has published a brief with guidance on how end customers who have overpaid VAT to a supplier are affected by Brexit.

Previously, where a customer was unable to obtain a refund of overpaid VAT from a supplier, in limited circumstances the customer could make a claim in court for a refund direct from HMRC. This provision resulted from a court judgment that applied general principles of EU law. HMRC has confirmed that now the UK is no longer in the EU customer claims against HMRC in this situation will not be allowed. This applies to claims brought in court on or after 1 January 2021.

www.gov.uk/government/publications/revenue-and-customs-brief-4-2022-end-customer-claim-refunds-of-vat-wrongly-charged

5.2 HMRC issues revised guidance on VAT grouping registration

HMRC has updated its provisional guidance on how to file VAT returns whilst waiting for a decision on a VAT grouping application.

Taxpayers should treat the application as provisionally accepted on the date submitted, and account for VAT accordingly. Automated assessment letters should be ignored, and will be cancelled once the application has been processed.

www.gov.uk/government/publications/revenue-and-customs-brief-5-2022-revised-guidance-on-dealing-with-vat-grouping-registration

6. Tax publications and webinars

6.1 Tax publications

The following Tax publications have been published.

- [Problems for Non-Domiciled Owners](#)

6.2 Webinars

The following client webinars are coming up soon.

- 31 March - Introduction to the Partnership
- 23 March - Introducing robotics and real time consolidation: What's in it for me?

<https://smithandwilliamson.com/en/events/>

7. And finally

7.1 No Vote, No Tax!

8 March, International Women's Day, is always an excellent chance to remind readers of one of our very favourite aspects of tax history: the Women's Tax Resistance League. Part of the campaign for universal suffrage, they made the extremely reasonable point that, if they had to pay taxes, they should get a say in the Government setting them. The illustrious members included the first woman admitted to a professional accountancy body, Ethel Ayres Purdie.

Although only officially running between 1909 and 1918, tax resistance in the cause of women's suffrage had been an active element of the debate for many years beforehand. The second of their goals, independent taxation of married women, was not achieved until the 1990s. At that time the League were active, married women were included in the Taxes Acts definition of incapacitated persons, being "Any infant, married woman, lunatic, idiot or insane person".

Well, a lot has changed since the days when members faced the bailiffs, protested at auction sales of their seized belongings, and faced prison. So, why not celebrate the week of International Women's Day by telling someone about how much you admire these tax evaders in purple, white, and green?

www.taxadvisers.org.uk/Womens_Tax_Resistance_League_1909-1918

www.taxation.co.uk/Articles/thornley-digital

www.att.org.uk/technical/news/no-vote-no-tax-%E2%80%93-women%E2%80%99s-tax-resistance-league

Glossary

| Organisations | | Courts | Taxes etc | |
|--|---|---|---|---------------------------------------|
| ATT - Association of Tax Technicians | ICAEW - The Institute of Chartered Accountants in England and Wales | CA - Court of Appeal | ATED - Annual Tax on Enveloped Dwellings | NIC - National Insurance Contribution |
| CIOT - Chartered Institute of Taxation | ICAS - The Institute of Chartered Accountants of Scotland | CJEU - Court of Justice of the European Union | CGT - Capital Gains Tax | PAYE - Pay As You Earn |
| EU - European Union | OECD - Organisation for Economic Co-operation and Development | FTT - First-tier Tribunal | CT - Corporation Tax | R&D - Research & Development |
| EC - European Commission | OTS - Office of Tax Simplification | HC - High Court | IHT - Inheritance Tax | SDLT - Stamp Duty Land Tax |
| HMRC - HM Revenue & Customs | RS - Revenue Scotland | SC - Supreme Court | IT - Income Tax | VAT - Value Added Tax |
| HMT - HM Treasury | | UT - Upper Tribunal | LBTT - Land and Buildings Transaction Tax | |

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