

Broadcast

For all the latest news...

Issue 16 – February 2017

Personal & Business Taxation – Audit & Assurance – Accounting & Business Services



Business groups call for 'pro-business Brexit'

Business groups have called on the Prime Minister to deliver on the objectives for a 'smooth and orderly exit' from the EU, following Prime Minister Theresa May's recent Brexit speech.

While ruling out any possibility of the UK remaining inside the Single Market, the 12-point 'Plan for Britain' highlighted the government's stated commitment to negotiate for the 'freest possible trade' with European countries, as well as its ambitions to create new trade agreements with countries outside the EU.

The Prime Minister also announced that any final Brexit deal will be put before a parliamentary vote, and that the deal will have a phased introduction.

Prior to the speech, leading business groups in the UK had jointly signed a letter outlining their priorities for British businesses across all sectors for 2017, and pledged to work alongside firms to help them overcome the challenges posed by Brexit.

The letter, which was signed by the Confederation of British Industry (CBI) and the Federation of Small Businesses, amongst others, outlines the business groups' aim of making 2017 'a year of progress and success'.

The Prime Minister's Brexit speech was greeted with mixed reactions from the business world, with the Institute of Directors welcoming the news that the changes will be phased in: 'Whatever the shape of the final trade deal, a smooth and orderly departure is in the whole country's interests, so businesses will support the commitment to a phased process of implementation.'

Meanwhile, the CBI said that businesses would also welcome the 'greater clarity' and the 'ambition to create a more prosperous, open and global Britain'.

However, the British Chambers of Commerce stated that many businesses would have come away from the Prime Minister's speech knowing 'little more' about the likely outcome of any Brexit negotiations than they did before.

In order to begin the Brexit process, the government has set an end of March deadline for triggering Article 50 - the legal process that will mark the beginning of two years of EU exit talks.

For all the latest news...

Planning ahead for the 5 April year end

With the 5 April fast approaching, you may wish to consider implementing some tax-saving strategies ahead of the new financial year. There are a number of measures to consider, some of which are outlined below.

Utilise your ISA allowance

ISAs offer a tax-efficient way to save. You may wish to invest in a combination of cash or stocks and shares, up to an overall annual subscription limit of £15,240 for 2016/17. Savers are only permitted to save into a maximum of one Cash ISA, one Stocks and Shares ISA and one Innovative Finance ISA per year. You have until 5 April 2017 to make your 2016/17 ISA investment. The annual subscription limit will rise to £20,000 from 6 April 2017.

Make the most of capital allowances

Businesses may be able to write off the costs of capital assets against their taxable profits, by using capital allowances. The tax system provides an Annual Investment Allowance (AIA) of 100% on the first £200,000 of investment in plant and machinery (excluding cars). The AIA can be used by businesses of any size and most business structures.

Other news in brief

Significant rise in number of businesses falling victim to fraud and cybercrime

The number of UK businesses affected by corporate fraud and cybercrime has risen by 16% over the past year, according to a new report.

Thousands of grandparents 'missing out' on National Insurance credits

Former Pensions Minister, Sir Steve Webb, has said that tens of thousands of grandparents are missing out on National Insurance credits, which could be worth more than £230 a year when they retire.

MPs call for more extensive Making Tax Digital pilots

The Treasury Select Committee has urged HMRC to implement a series of wide-ranging pilots in order to better test the scheme before it becomes compulsory for the majority of taxpayers.

Build a tax-efficient retirement plan

Many people do not take full advantage of tax reliefs and (tax-deductible) employer contributions when building a fund for their retirement. However, personal contributions to pension schemes could attract tax relief worth up to 60%.

Contributions must be paid on or before 5 April 2017 to be applied against 2016/17 income.

Use allowances across the family

Individuals are entitled to a tax-free personal allowance (PA), which is set at £11,000 for 2016/17. For couples where one person has little or no income, you may wish to consider transferring income (or income-producing assets) to them to make full use of their PA. Care should be taken to avoid falling foul of the settlements legislation.

Some married couples and civil partners may be able to take advantage of the Marriage Allowance, allowing individuals to transfer 10% of their PA to their spouse or civil partner where neither pays tax at the higher or additional rate.

ESSENTIAL TAX DATES FOR JANUARY

1 February

£100 penalty if 2015/16 Self Assessment Tax Return not yet filed online. Additional penalties may apply for further delay. Interest starts to accrue on 2015/16 tax and NICs not yet paid.

2 February

Submission date of P46 (Car) for quarter to 5 January.

14 February

Last date (for practical purposes) to request Class 1 NIC deferral for 2016/17.

QUOTE OF THE MONTH

'I want us to be a secure, prosperous, tolerant country - a magnet for international talent and a home to the pioneers and innovators who will shape the world ahead.'

Prime Minister Theresa May