



## OTS CALLS FOR REVIEW OF PAYE SYSTEM

**In a new report, the Office of Tax Simplification (OTS) has called for the Pay as You Earn (PAYE) system to be reviewed, to ensure tax agents can 'see relevant client information' and 'access a number of key services'.**

The report suggested that tax agents 'don't always have full access to their clients' PAYE records'. In addition, the current PAYE system 'does not handle the fluidity of the modern workplace very well', according to the OTS, especially in relation to changes of job mid-month or concurrent employment.

Furthermore, the OTS stated that information collected via Real Time Information (RTI) 'doesn't always flow through to personal tax accounts quickly', which can result in 'inaccurate calculations'. This leads to stress for taxpayers, incorrect tax codes and 'a lack of faith' in HMRC's systems, the report said.

According to the OTS, system problems lead to

'significant costs' for businesses and HMRC itself. The OTS acknowledges that any changes to the current system would have upfront costs, but 'should soon pay for itself', and facilitate efficient tax collection, thereby helping to improve taxpayer experience.

Commenting on the matter, Bill Dodwell, Tax Director at the OTS, said: 'It is time for a new review of PAYE, to look at areas where the inputs from employers do not work well and how they are processed by HMRC to update tax codes and the new personal tax accounts. The review needs to update PAYE for modern working patterns.'

The report also proposes creating a 'PAYE-like experience' for the self-employed, in order to allow them to set money aside to pay future tax liabilities.

**For more information on PAYE talk to a member of our team please call 01753 888211 or email [info@nhllp.com](mailto:info@nhllp.com)**

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## Government launches consultation on Companies House reforms

The government has launched a consultation on new Companies House reforms, including a 'major upgrade' of its register.

The consultation aims to tackle misuse of the register. It also strives to provide business owners with 'greater protection from fraud'.

Some of the key measures proposed by the government include a 'robust' identity check for company directors and people with significant control; a cap on the number of directorships an individual can hold simultaneously; and new systems to 'better protect' the personal information that is held on the Companies House register.

The government revealed that, in the last three years, there have been nearly 10,000 complaints to Companies House from individuals concerned about their personal information being held on the register. The most common worries included fraud and the 'misuse of personal details'.

The government advocates creating a more sophisticated method of identifying criminal activity. It has proposed establishing effective links between the records held by Companies House and other government bodies, so that anomalies can be identified sooner.

Commenting on the consultation, Edwin Morgan, Interim Director General of the Institute of Directors (IoD), said: 'We welcome the thrust of these proposals. The IoD receives regular complaints from its members concerning the misuse of data published by Companies House. Transparency is a key feature of UK-registered companies, but if that transparency can be exploited by criminals or fraudsters, then trust in the legal framework of business is undermined.'

The consultation is open until 5 August 2019.

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#### 1 June

New Advisory Fuel Rates (AFR) for company car users apply from today.

#### 19 June

PAYE, Student loan and CIS deductions are due for the month to 5 June 2019.

#### 30 June

End of CT61 quarterly period.

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