

# NEWSLETTER

## EKW GROUP BUSINESS



## WELCOME TO OUR AUGUST NEWSLETTER

Our august newsletter edition will be focusing on upcoming deadlines that HMRC have set that you may need to be aware of. It is important that you meet these deadlines as consequences can arise if they are not met.

Some consequences can range from fines to criminal offences.

To avoid this happening to you and your business, you need to be organised and follow the rules set by HMRC and the government.

### DEADLINES

#### 02 Making Tax Digital for VAT

The new rules have effect from 1 April 2019, where a taxpayer has a 'prescribed accounting period' which begins on that date.

#### 05 Anti-money laundering

The consultation for anti-money laundering supervision closes at 11:45 pm on 28th September 2018.

#### 06 P60, 'End of Year Certificate'

The HMRC office gets very busy in the last 4 months of the tax year so our turnaround time from November 2018 to April 2019 will be 4 weeks. To meet your deadlines we recommend that you submit proposed drafts as soon as possible and before 1 March 2019.

# BANK OF ENGLAND RAISE INTEREST RATE

The Bank of England has raised the interest rate from 0.5% to 0.75%. The quarter of a percentage point rise sets the rate at its highest level since March 2009.

The rise in the interest rate will no doubt increase the interest costs of residential mortgages that have variable or tracker rates. It will be interesting to see if the rise in the rate is passed on to savers.

## WHAT ARE INTEREST RATES?

Interest is what you pay for borrowing money, and what banks pay to you for saving money. Interest rates are shown as a percentage of the amount you borrow or save. This is paid as interest over the course of a year. So if you put £100 into a savings account offering a 1% interest rate, you'd have £101 a year later.

In response to the increase in the rate Alpesh Paleja, CBI Principal Economist, said: 'This decision was in line with our expectations. The case for another rate rise has been building, with inflationary pressures being stoked by a tight labour market and many indicators now suggesting that weak activity in the first quarter of 2018 was a blip. The Monetary Policy Committee has signalled further rate rises over the next few years, if the economy evolves as they expect. These are likely to be very slow and limited, particularly over the next year as uncertainty around Brexit takes its toll on business investment.'



# MAKING TAX DIGITAL FOR VAT

HMRC has published further information on Making Tax Digital for VAT (MTDfV). The VAT notice sets out some further details of the MTDfV regime, which will ultimately require taxpayers to move to a fully digital tax system

Under the rules, businesses with a taxable turnover above the VAT threshold (currently £85,000) will be required to keep digital records for VAT purposes using 'functional compatible software' and provide their VAT return information to HMRC via an application programming interface.

## **This notice explains:**

The digital records businesses must keep and the ways to record transactions digitally in certain special circumstances what counts as 'functional compatible software', and when software programs do and do not need to be digitally linked where a combination of programs is used.

The new rules have effect from 1 April 2019, where a taxpayer has a 'prescribed accounting period' which begins on that date, and otherwise from the first day of a taxpayer's first prescribed accounting period beginning after 1 April 2019.

Please contact us for advice and support on the introduction of MTDfV.  
Internet link: [GOV.UK MTD](https://gov.uk/MTD).



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# ANTI-MONEY LAUNDERING SUPERVISION: DISCUSSION ABOUT FEES

MRC sets out the background in a discussion paper and asks you to respond to questions about the way it charges fees to the businesses it supervises.

**This consultation closes at 11:45pm on 28 September 2018.**

The Government is committed to enhancing further its response to the threat of money laundering and terrorist financing. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“MLR 2017”) strengthened the UK regime and placed additional requirements on HMRC (and other) supervisors. Alongside this, the Government is committed to HMRC strengthening its approach to anti-money laundering supervision and taking a more robust approach to tackling non-compliance with the regulations.

It is Government policy that businesses should pay for the costs of supervision, rather than this being funded through general taxation. In order to ensure that the fees it charges remain appropriate, HMRC periodically reviews the fees it charges businesses for antimoney laundering supervision. Our current fee structure charges a registration and renewal fee of £130 per premises. This fee was raised with effect from 1 December 2017 from the £115 charged previously, reflecting the increased costs to HMRC of supervision since the previous fee changes in 2015. Other fees are also charged for specific activity.

HMRC is looking at how the fees are structured and the amount it charges you. We aim to treat businesses fairly and keep fees simple, and as low as possible, while meeting the increased costs of our supervisory activity.

HMRC invites your views on the three options for setting fees from 1 December 2018 and two additional measures detailed in this document.





# SPECIFICATION FOR EMPLOYER SUBSTITUTE FORMS P60

This guide gives information on how to design substitute forms P60, 'End of Year Certificate' which employers may use instead of the official form, at the end of the tax year.

It also includes information on how to adapt your substitute form P60 for a pension fund scheme and what to do if you intend to issue the substitute form P60 to your employees electronically. This revised edition applies for the tax year 2018 to 2019.

## Forms P60 cover:

- PAYE Income Tax
- National Insurance contributions
- Statutory Maternity Pay
- Statutory Paternity Pay
- Statutory Shared Parental Pay
- Statutory Adoption Pay
- Student Loan deductions

You need to obtain HMRC approval before a substitute form P60 is brought into use.

This applies to a:

- New substitute
- Previously approved substitute, irrespective of whether any changes have to be made or not.

Substitute forms P60 must be submitted annually to this office for approval. Email a draft of the proposed substitute P60 design for 2018 to 2019 (for example, PDF) to [hmrc.substituteformsapproval@hmrc.gsi.gov.uk](mailto:hmrc.substituteformsapproval@hmrc.gsi.gov.uk). The HMRC office gets very busy in the last 4 months of the tax year so our turnaround time from November 2018 to April 2019 will be 4 weeks. To meet your deadlines we recommend that you submit proposed drafts as soon as possible and before 1 March 2019.

# GENUINE HMRC CONTACT AND RECOGNISING PHISHING EMAILS AND TEXTS

Find out how to recognise when contact from HMRC is genuine, and how to recognise phishing or bogus emails and text messages. Phishing is the fraudulent act of emailing a person in order to obtain their personal or financial information such as passwords and credit card or bank account details. These emails often include a link to a bogus website encouraging you to enter your personal details.

## How to tell if an email is fraudulent

As well as spelling mistakes and poor grammar, there are a number of things you can look out for to help you recognise a phishing or bogus email.

### • Incorrect 'from' address

Look out for a sender's email address that is similar to, but not the same as, HMRC's email addresses. Fraudsters often have email accounts with HMRC or revenue names in them (such as 'refunds@hmrc.org.uk'). These email addresses are used to mislead you.

However be aware, fraudsters can falsify (spoof) the 'from' address to look like a legitimate HMRC address (for example '@hmrc.gov.uk'). If you're not 100% sure that the message has come from us, do not open it. If you do open the email and you're in doubt, do not click on any links or downloads.

### • **Personal information-** Emails from HMRC will never:

- Notify you of a tax rebate
- Offer you a repayment
- Ask you to disclose personal information such as your full address, postcode, Unique Taxpayer Reference or details of your bank account
- Give a non HMRC personal email address to send a response to ask for financial information such as specific figures or tax computations, unless you've given us prior consent and you've formally accepted the risks.
- Provide a link to a secure log in page or a form asking for information - we'll ask you to log on to your online account to check for information instead.



## HMRC SMS text messages

### SMS text message - activating 2-Step Verification

2-Step Verification is an additional security feature which helps to prevent someone else from accessing a customer's digital account, even if they have their User ID and password.

When activating 2-Step Verification, HMRC will send an access code via SMS to the customers' nominated mobile phone number, which the customer will need to complete the set-up. These SMS messages will never ask the customer to provide personal or financial information.

This means that once customers have activated 2-Step Verification, the only way to access the account will be with the Government Gateway User ID, password and access to the phone which has been registered. HMRC is planning ways of increasing the number of users who can benefit from 2-Step Verification.

### SMS text message - 2-Step Verification for future log ins

After activating 2-Step Verification, each time the customer logs in, HMRC will send an access code via SMS to the registered mobile phone number, which will be needed to complete the log in process. These SMS messages will never ask the customer to provide personal or financial information.

If a customer no longer has access to the mobile phone registered for 2-Step Verification, they'll need to ring the Online Services Helpdesk and verify their identity to deactivate it. The customer can then register their new mobile number for 2-Step Verification when they log in the next time.

### Tax credits - SMS text or voice prompts

HMRC is contacting some customers who claim tax credits by SMS and voice message asking them to update or confirm their circumstances if the details they hold (that is, income or working hours) differ from the information shown on their employer records.

Tax credits customers who send in their renewal or a new claim will receive a SMS text message confirming that HMRC has received their claim or renewal and estimated processing times.

These reminder messages will only direct them to the GOV.UK website to renew their claims online.



## CONTACT US



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