

Possibility of further delays for MTD

The Chancellor warned of “considerable cause for concern” with HMRC’s Making Tax Digital (MTD) timeline

PLUS

- + HMRC target online marketplaces with new data mining powers
- + Benefits-in-kind set for tax overhaul
- + RDP Newmans hit the jackpot at charity casino night
- + No excuse for non-compliance, warns The Pensions Regulator
- + RDP Newmans climbs list of top 100 British accountants



- RDP Newmans named amongst country’s best employers in accountancy
- Businesses able to submit ‘voluntary’ tax payments under HMRC’s ‘PAYG’ proposals
- Financial Services department welcomes experienced adviser

Welcome

Welcome to the latest edition of RDP Newmans News, which brings you updates and practical advice on issues that may affect you financially.

Our newsletter contains a round-up of tax and financial news and developments that we hope will be of interest to small and family businesses and private individuals.

In this issue, we look at HMRC's latest 'PAYG' tax update, offering businesses the ability to submit 'voluntary' tax payments, and give you an analysis of the upcoming changes to benefits-in-kind. And in home news, it's awards time! We are proud to announce we have once again climbed the list of Britain's best 100 accountants, as well as having been named amongst the

country's best employers in accountancy!

We also welcome our new RDP Financial Services advisor, Anix Shah, and look at the success of our recent Casino Fundraiser in aid of The Music Man Project. Also, we look at the new tax powers HMRC are using to target online traders, and why the Treasury is urging the government to push back Making Tax Digital.

Finally, we highlight the "staggering" spike in the number of penalties dished out to businesses yet to auto-enrol in the

Government's new pension scheme.

We hope you enjoy reading RDP Newmans News and that you find it useful. We'd welcome your feedback on the content, or ideas for topics that you'd like to see featured in future, so if you would like to comment, please contact us on 020 8357 2727 or email enquiries@rdpnewmans.com.

For professional financial advice, tailored to your individual circumstances, on any of the topics covered in RDP Newmans News, please contact us.

RDP Newmans climbs list of top 100 British accountants

RDP Newmans has made the top 100 list of British firms put together by leading professional publication Accountancy Age.

Their position at 74th, places them three positions higher than last year in the prestigious 50 + 50 list, which recognises the country's fastest growing and largest firms.

The firm has also been recognised at a number of awards during last year and was recently shortlisted in the Best Employer category at this year's British Accountancy Awards.

David Finn, Partner at RDP Newmans, said: "We are really delighted to make this year's Accountancy Age 50 + 50 list.

"The fact that we have climbed three positions is a wonderful achievement and reflects our success and growth over the last 12 months. We hope to continue this upward trend next year with the addition of new services and our ongoing expansion."



Businesses able to submit 'voluntary' tax payments under HMRC's 'PAYG' proposals

Sole traders, landlords and unincorporated businesses will be able to submit 'voluntary' tax payments towards unexpected tax liabilities, under new proposals from HM Revenue & Customs (HMRC).

The news coincides with the publication of six consultation documents on Making Tax Digital (MTD), which HMRC hopes will make all tax "100 per cent digital by 2020".

PAYG – HMRC's proposed pay-as-you-go system – is just one of the many proposed changes to be implemented as part of the MTD campaign.

The PAYG system will allow taxpayers to take full control over how often, and how much they wish to pay – although, according to consultations, businesses with an annual income of £10,000 or more will be obligated to report to HMRC "at least quarterly".

HMRC said that their optional voluntary system will apply to the likes of Capital Gains Tax (CGT), income tax and National Insurance (NI) contributions from April 2018, and to VAT from April 2019.

By 2020, HMRC hopes PAYG will also be open to incorporated businesses for corporation tax payments.

The Association of Taxation Technicians (ATT) recently branded MTD "the biggest change to the way taxpayers will engage with HMRC since the introduction of PAYE in 1945".

Speak to one of our online accounting specialists today to ensure your business is prepared for Making Tax Digital.



Financial Services department welcomes experienced adviser

RDP Financial Services has appointed a new adviser as part of its ongoing expansion.



Anix Shah

Anix Shah joins the team having worked for a number of well-known firms including Standard Life, Axa and Natwest.

He will be joining RDP's team as an Independent Financial Adviser and brings

with him a wealth of expertise in providing financial protection for clients, general investment advice and growing clients' money in a tax efficient manner.

Speaking about his appointment Anix said: "I am really excited to be working with RDP Financial Services. They have an excellent reputation for providing clients with an exceptional range of services and support."

Anix has a Diploma in Financial Planning and is a member of the Chartered Insurance Institute, giving him a breadth of knowledge on a wide range of subjects.

Aaron Mears, Managing Director of RDP Financial Services, said: "Anix brings with him a wealth of expertise and experience, which we hope will help us with our ongoing expansion in the region and I would like to be the first to welcome him to our firm."

RDP Newmans named amongst country's best employers in accountancy

RDP Newmans has been listed among the profession's top ten employers at this year's British Accountancy Awards.

The firm have been selected from hundreds of British firms for the award, which recognise the country's best workplaces.

Their shortlisting on the prestigious list is a result of a survey conducted among staff, which highlighted the firm's drive to support staff and create an enjoyable workplace. This is the fourth year in a row that RDP Newmans has made the top ten of the Best Employer list at the awards.

David Finn, Partner at RDP Newmans, said: "We are honoured to once again make the top ten list of best accountancy employers in the UK at the British Accountancy Awards.

"We believe staff are our greatest asset, so we always go out of our way to support them and help them develop their careers."

The team at RDP Newmans will find out if they have won the overall prize of Best

Employer 2016 at an awards evening, due to be held at The Brewery in London on 29 November 2016.

Kevin Reed, Head of Editorial at leading publication Accountancy Age who run the awards, said: "Our Best Employer award process is robust and rigorous, so the top firms this year should be very proud that their employees think so highly of their workplace – and meet our benchmark."

Benefits-in-kind set for tax overhaul

HM Revenue & Customs (HMRC) are to discuss changes to the salary sacrifice and "making good" aspects of benefits-in-kind for both employers and employees.

The government are considering a move to limit the range of benefits-in-kind that attract income tax and National Insurance contribution gains when provided as part of a salary sacrifice arrangement.

Benefits-in-kind are benefits which employees or employers are given separately as part of their wage packet, often advertised as "perks" such as company cars and private medical insurance, in exchange for a portion of their salary. In practice, this can lower an individual's overall income tax and NI contributions.

HMRC's report sets out to explore the future of the salary sacrifice scheme, should the government decide to change the way the benefits code applies when a benefit-in-kind is "provided in conjunction with a salary sacrifice or flexible benefit scheme".

The government consultation will "not prevent employers from providing benefits-in-kind to their employees through salary sacrifice, but it will remove the tax and NICs advantages that come from doing so".

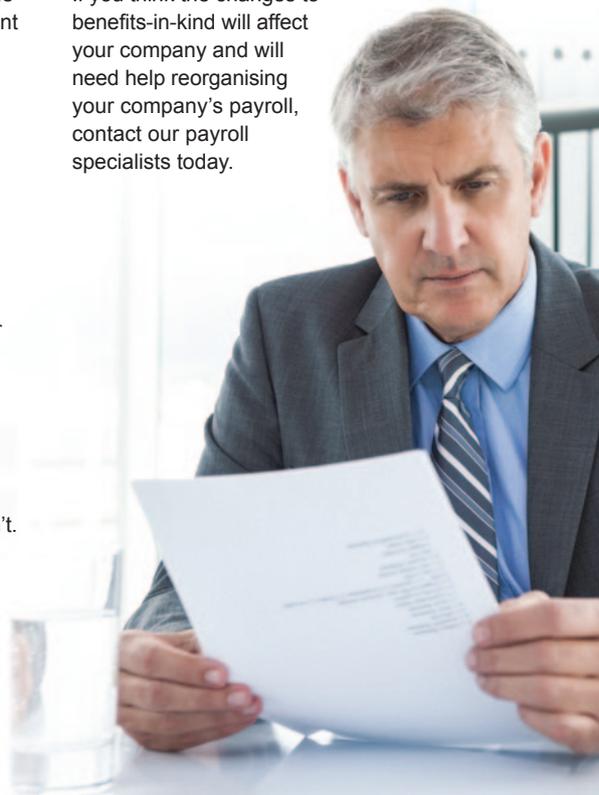
Certain health-focused benefits, such as the cycle-to-work scheme which the government wish to encourage, will not be changed.

"While the majority of employees are rewarded mainly with cash remuneration, the provision of benefits in kind is a long-standing component of reward packages", said Jane Ellison MP, a financial secretary to the Treasury.

"The way in which benefits are provided has also evolved, with a growing market for flexible benefit packages, often combined with salary sacrifice arrangements. This growth represents an increasing cost to the Exchequer and creates an uneven playing field between employees and employers which use such arrangements and benefit from the tax advantages, and those that don't.

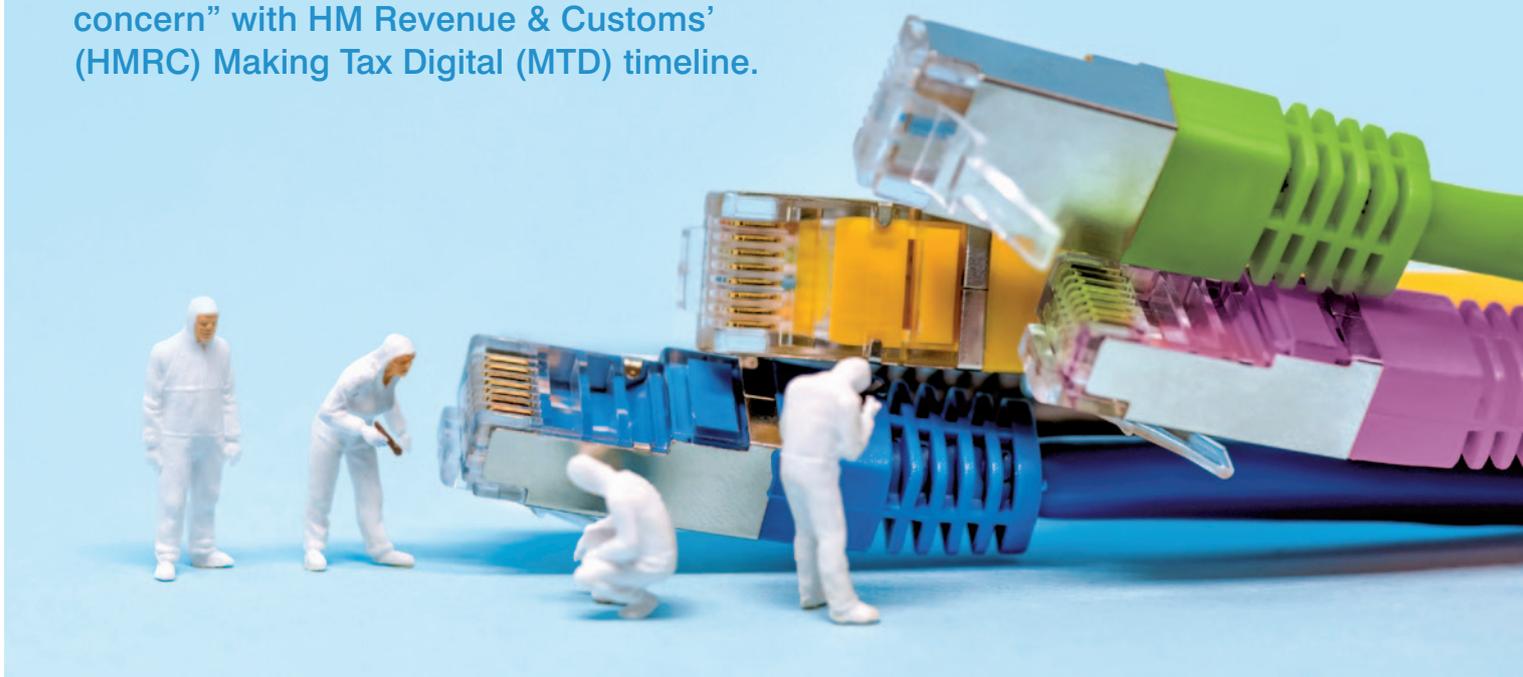
If you think the changes to benefits-in-kind will affect your company and will need help reorganising your company's payroll, contact our payroll specialists today.

"We want employers to continue to offer benefits to their employees, but need to balance this with the interests of all taxpayers."



Treasury Select Committee urges further delays for MTD

The Treasury Select Committee has warned the Chancellor of “considerable cause for concern” with HM Revenue & Customs’ (HMRC) Making Tax Digital (MTD) timeline.



In a letter, Andrew Tyrie, Committee chair, has called on Philip Hammond to delay HMRC’s plans to introduce the new digital tax system, which is due to be rolled out gradually from 2018.

It is “better to get it right than stick to a rigid timetable”, he warned, adding that there may be a case for delaying implementation of MTD.

He said a number of businesses have already expressed “a good deal of concern about MTD”, and more will appear over the coming weeks once they have had time to digest HMRC’s latest consultation paper.

Following the tax authority’s latest proposal to delay MTD for certain organisations until 2019, he said “A year’s extension for an unspecified group of businesses may not be enough”

“The new requirement for digital record keeping and reporting is far more than simply entering a handful of totals. It is tantamount to prescription by HMRC, for the first time, of a particular form in which accounting records must be maintained.”

He said the Treasury and HMRC will need to carefully consider all the comments from the lengthy and complex consultation papers released.

“These proposals have already been in the making for nearly two years. The earliest that they could be implemented is 2018. This timetable, with draft Finance Bill clauses published around the time of the Autumn Statement, may make it difficult to respond adequately to the points made in the consultation.” He added that it could be the small businesses who could be hit hard by a mistake.

With the right accountant on your side, making the transition to digital tax will be plain sailing. Luckily, our tax specialists have years of online bookkeeping experience, so with us, you know your business is safe. Contact RDP Newmans today for expert Making Tax Digital assistance.

RDP Newmans hit the jackpot at charity casino night

RDP Newmans have raised more than £1,000 by playing their cards right at their charity casino night in aid of The Music Man Project.



The event held at the beautiful Art-Deco Arlington Ballroom in Southend drew in business leaders and the firm's contacts from across the region, who tried their luck on the Blackjack and Roulette tables.

Prizes for the evening included 18 fantastic items donated by RDP Newmans' clients and local businesses, which helped raise £1,040 for the charity that provides music education to people with a range of learning difficulties.

Three of the students of The Music Man Project also attended the event with the charity's founder and director David Stanley. He said: "The Casino fundraiser was clearly a brilliant success and the amount raised of over £1,000 is simply fantastic.

"This money, along with all the other funds you have raised will be vital for our continued efforts to bring music education, enjoyment and opportunity to children and adults with a learning disability - thank you for organising such a wonderful evening."

The team at RDP Newmans have held and taken part in numerous events this year for the Project, including a Christmas lunch with students and carers, distributing musical presents, a quiz night and taking part in the Southend Colourthon – raising thousands for the Project in the process.

Paul Stafford, Managing Partner at the firm's Southend office, said: "Our casino evening was a real hit with those who attended and

has managed to raise a fantastic amount for a wonderful charity.

"We were delighted to have David and his students come visit us and try their luck on the tables alongside some of Southend's leading business owners.

"We hope the money we have raised will help the project continue to deliver excellent tuition to people with a wide range of learning disabilities."

The funds from this event will help with The Music Man Project's next big performance, which will take place next year at the West End's London Palladium Theatre on Sunday 15 October 2017.

HMRC target online marketplaces with new data mining powers

HM Revenue & Customs (HMRC) has scheduled a tax crackdown on millions of online traders who sell products on sites such as eBay and Airbnb.

The tax authority will collect data from third party transaction processors to allow them to identify British users who have a taxable income from online sales.

This would include sales from the Apple and Google app store, renting out rooms or property through sites like Airbnb, and items sold on online marketplaces such as eBay and Amazon.

The proposed powers will allow HMRC to obtain names, addresses and revenues of businesses trading online, and compare them to their existing tax returns.

According to a report, the scale of the collection will be "huge" and amounts to a "radical" change in the way that HMRC conducts its business.

However, the government insist that it will only be using the new powers to target online businesses, rather than hobbyists or buyers.

A HMRC spokesman said: "We want businesses to pay their fair share and ensure legitimate traders are not left struggling to compete against tax cheats.

"That's why we're consulting on updating HMRC's existing data collection powers for the digital age.

"The information will only be used to identify businesses that are breaking the law by evading paying the tax they owe. We cannot find out what people buy, only what businesses have sold, but not declared."

Experts have also raised concerns over the security of the data. In 2007, HMRC lost data disks containing the personal records of 25 million individuals, including their date of birth, addresses, bank accounts and national insurance numbers.

If you are worried that your business might be affected by the new powers, please contact us. We offer an efficient and comprehensive tax compliance service to all businesses.



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- And much more...



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No excuse for non-compliance, warns The Pensions Regulator

The Pensions Regulator (TPR) has revealed a “staggering” spike in the number of compliance notices it has issued to businesses which haven’t complied with auto-enrolment deadlines.

It found that in the third quarter (July to September) of 2016, it issued 15,073 compliance notices out of a total 26,040 since the launch of auto-enrolment in 2012.

It means that three out of every five compliance notices issued over the past four years have been issued in the second half of 2016.

Catherine Pinkney, co-founder of the payroll software provider, Paycircle, has described the finding as “frankly staggering”.

“For a multitude of reasons, not least considerable confusion around whose responsibility the workplace pension is, many firms are burying their heads in the sand.”

She added: “Many of the smallest businesses still don’t know who to turn to for help.”

While TPR said the spike was in line with expectations – especially as the smallest of businesses are beginning to stage – firms

should be aware of the penalties in place for failing to enrol their employees.

Of the 15,073 businesses that were issued with a compliance notice, 3,728 were issued with a fixed penalty equal to a £400 fine. And around 576 were issued with an escalating penalty notice (EPN) – a fine of between £50 and £10,000.

TPR warned employers that explanations given for non-compliance - such as illness, lack of knowledge, or being short-staffed - are not a “reasonable excuse”.

Charles Counsell, Executive Director of Automatic Enrolment at TPR said: “We recognise that employers have unique circumstances and challenges, but the law is still the law.”

Have you auto-enrolled?

If you have yet to auto-enrol into the Government’s new compulsory workplace pensions scheme, RDP Financial Services

can help. No matter how big or small your business is, we can ensure that your pensions scheme is compliant, controlled and stress-free from the very beginning.

Don’t wait until it’s too late. Contact RDP Financial Services today or visit www.rdpfinancialservices.com/services



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