

What's ahead

Dates for your diary

October

- 02 Consultations:** Comments due on *Apprenticeships levy: Employer owned apprenticeships training* (www.bit.ly/1NJ5dDD).
- 04 Party conferences:** Start of the Conservative party's annual conference (until 7 October) in Manchester.
- 05 Consultations:** Comments due on *Proposal to use a legislative reform order to change partnership legislation on collective investment schemes* (www.bit.ly/1CUtqgh).
OECD BEPS: Release date for final BEPS reports ahead of G20 finance ministers meeting on 8 October.
- 06 Scottish legislation:** The Land and Buildings Transaction Tax (Open-ended Investment Companies) (Scotland) Regs, SSI 2015/322, come into force. These provide an exemption, by way of a claimable relief, from land and buildings transaction tax in Scotland for authorised unit trusts converting to an open-ended investment company.
- 07 Consultations:** Comments due on *Review of deeds of variation for tax purposes: call for evidence* (www.bit.ly/1Hup9s8).
- 08 Consultations:** Comments due on the following four *Tackling offshore evasion* consultations: *Strengthening civil deterrents for offshore evaders; Civil sanctions for enablers of offshore evasion; A new corporate criminal offence of failure to prevent the facilitation of evasion; and A new criminal offence for offshore evaders*. See www.bit.ly/1HwoUwE.
OECD BEPS: Meeting of the G20 finance ministers in Lima, Peru, where the OECD will present its final reports covering the 15 BEPS action plan items.
- 09 Consultations:** Comments due on *Replacing wear and tear allowance with tax relief for replacing furnishings in let residential dwelling-houses* (www.bit.ly/1Hz2ydO) and *Call for evidence: simplifying the gift aid donor benefit rules* (www.bit.ly/1M7IvGD).
- 12 Legislation:** Pensions Act 2014 commencement order (SI 2015/1475) comes into force. This includes provisions for the class 3A voluntary NICs/state pension top-up scheme, allowing eligible individuals to pay a class 3A contribution in return for a unit of additional state pension.
Parliament: House of Commons and House of Lords return from recess.
- 13 Finance Bill committee stage:** House of Commons Public Bill Committee will sit next on 13, 15 and 20 October.

For a 'what's ahead' which looks further ahead, see taxjournal.com (under the 'trackers' tab).

Coming soon in Tax Journal:

- Anson revisited.
- The BEPS recommendations.
- VAT and charities.

One minute with...

What makes Aiglon Consulting different?

Aiglon Consulting is the product of 28 years' experience in tax. Most of that time was spent with KPMG, where I was a tax partner for just over ten years before leaving to set up Aiglon. I am bringing all of the knowledge, expertise and experience gained in those 28 years and making it available to my clients in a way that they value. They get the experience and expertise of a 'big four' partner but with a personal, hands-on approach.

You advise on the R&D expenditure credit (RDEC). Will it make a big difference for large companies?

I believe it will, but for different reasons for different companies. For years, many large companies ignored R&D relief as either they had insufficient taxable profits or their overseas parent didn't want them reducing UK tax as it would flow through to higher domestic taxes in the parent jurisdiction. These companies should now find that the RDEC is beneficial as it offers a payable credit to the company with insufficient taxable profit and the above-the-line accounting means that foreign tax credits for the parent should not be reduced.

Unfortunately, for companies who undertake a lot of 'cost-plus' contracting work, the above the line nature of the RDEC may cause them problems.

What's happening on the patent box?

It now looks certain that the patent box will have to be changed to comply with some form of 'modified nexus' approach. Indeed, the government has already agreed that the current form of patent box in the UK will be closed to new patents from June 2016 and withdrawn altogether by June 2021.

There is no news yet on the design of the new patent box – I half expected some comment from the chancellor in his Summer Budget – but I feel confident that we will hear something from him in the Autumn Statement.



David O'Keeffe
Owner, Aiglon Consulting

Comment on a recent trend in tax.

Public opinion – as reported in the media – is playing a much greater part in the direction and design of tax policy. In principle I don't think this is necessarily a bad thing per se, but what I fear is happening is that policy is now being developed in a much more knee-jerk manner. In my opinion, this can only lead to more 'bad legislation' as changes are introduced quickly and without proper consideration.

This 'court of public opinion' is also leading some businesses to be wary of taking advantage of legitimate reliefs. Frankly, this is just as much a frustration of Parliament's intention as tax avoidance.

Aside from your immediate colleagues, whom in tax do you most admire?

I think the person who stands out for me over the last few years is the ex-editor (now retired) of *Taxation*, Mike Truman. During his tenure, Mike was not afraid to address some of the big issues in tax openly and, when necessary, bluntly.

If you could make one change to UK tax law or practice, what would it be?

I would have a properly resourced and trained HMRC, with appropriate enforcement powers and operating under a proper duty of care. That would enable us to do away with the patchwork of 'big stick' measures, such as the banking code of conduct and the proposed code of conduct for large businesses, which are a poor alternative to proper resourcing and enforcement.