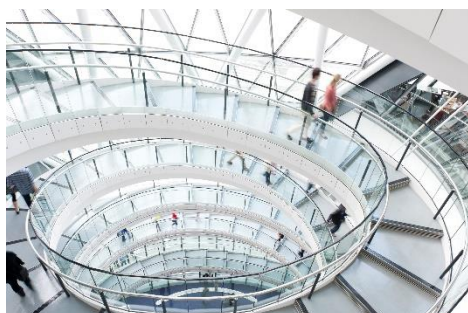


# BREXIT - WHAT NOW FOR BUSINESSES THAT TRADE WITH THE EU? AN UPDATE



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“There is still uncertainty around what Brexit will mean and planning for a “No Deal” scenario seems sensible right now. Businesses that buy and sell from the EU should have contingency plans in place which will need to be flexible to cope with a variety of possible outcomes. If a ‘No Deal’ happens after October 2019 here are some of the areas you should consider”.

### **Movement of goods**

Customs declarations will need to be made and the UK is implementing a new electronic customs declaration system for businesses, so check if your systems and processes are up to scratch. UK businesses will need a UK Economic Operator Registration and Identification (EORI) number and you can find the forms on the Gov.uk website, Brexit section: <https://www.gov.uk/government/brexit>

You may also need an agent to help with import / export declarations as you would for trading outside the EU. Check whether you need additional information from your carrier. Importers can register for Transitional Simplified Procedures (TSP) deferring declarations and paying duty at the border. More on this on page 3, and there is HMRC guidance on the new electronic customs system in the Brexit section on the Gov.uk website (link as above).

An essential exercise for all businesses is Supply Chain Mapping - knowing where inputs come from and what product category they fall into can help assess potential tariffs. For businesses that only exported to the EU this will be new and could be time consuming. Further guidance can be found in the “Trade Topics” section of the World Trade Organization (WTO) website: <https://www.wto.org/index.htm>

The EU Tariffs can be found at <http://madb.europa.eu/madb/euTariffs.htm>

### **Product compliance**

UK product standards and regulations will be aligned to the EU at the point of exit, however in the event of “No Deal” then UK assessment and certification arrangements could cease to be recognised by the EU. See the Brexit section of the Gov.uk website for further guidance.

### **Business contracts and employees**

If you have contracts with EU companies these may need to be redrafted to clarify the terms for trade, including VAT changes. If your business employs EU nationals then they should register for settled status. You will need to track the nationality status of employees going forward to ensure compliance with immigration rules and regulations.

### **Summary**

Whether there is a “No Deal”, a brief delay in the UK’s departure and a “deal” or a longer period of transition we advise all businesses to research all scenarios and “plan for the worst and hope for the best”.

**We have a more comprehensive “no deal” Brexit planning checklist available for clients - please contact us for a copy!**

## VAT REVERSE CHARGE FOR BUILDING AND CONSTRUCTION SERVICES

The Government is introducing a VAT reverse charge on certain building and construction services. The legislation will come into effect on 1 October 2019. This is a very significant development which will present major challenges for many building contractors. Businesses involved in buying and selling construction services will need to understand the new rules.

The measure will, for certain supplies of construction services ('specified services'), mean that the customer will be liable to account to HMRC for the VAT in respect of those purchases rather than the supplier (the 'reverse charge'). The reverse charge will apply through the supply chain where payments are required to be reported through the Construction Industry Scheme (CIS) up to the point where the customer receiving the supply is no longer a business that makes supplies of specified services – these businesses are referred to as 'end users'.



The reverse charge will exclude businesses that supply specified services to connected parties within a corporate group structure or with a common interest in land. In these circumstances, the supplies in question will then revert to normal VAT accounting rules. The new charge does not apply to zero-rated supplies of construction services.

**Please contact us if you would like to discuss how the proposed changes are likely to impact on your business.**

## INHERITANCE TAX TO BE SIMPLIFIED

"The Office of Tax Simplification (OTS) have undertaken a detailed review of Inheritance Tax (IHT), which is perceived by many as a complicated tax. The government normally takes account of OTS recommendations and their report is likely to lead to future changes to the rules. We will keep you posted as the changes may necessitate amending your will or further planning to pass on your wealth.

There are also numerous misconceptions about how the tax operates, particularly in connection with gifts during someone's lifetime. One of the proposed changes is to shorten the period for lifetime gifts to be exempt from 7 to 5 years. The OTS also recommended replacing the current £3,000 annual allowance, marriage allowances and the exemption for regular gifts out of income with a £25,000 personal allowance each year.

**MAKE SCHOOL HOLIDAYS  
EASIER WITH TAX-FREE  
CHILDARE**

**TAX DIARY OF MAIN EVENTS**

Did you know there is a government scheme available that can help contribute towards childcare costs which may mean fewer of your employees will need time off at the same time this summer.

Tax-Free Childcare is a scheme available to working parents with children from 0-11 years and many parents are not taking advantage of the scheme.

HMRC would thus welcome help from employers in changing that, so please tell your employees about Tax-Free Childcare and how it can reduce their childcare costs.

Eligible parents can get up to £2,000 per child, per year to spend on qualifying childcare (effectively a 25% top up).

Note that Tax-Free Childcare isn't just for everyday childcare costs, such as childminders and nurseries, parents can also use it to pay towards the cost of:

- after school clubs
- summer camps
- school holiday activities

2019 Dates	What's Due
1 October	Corporation tax for year to 31/12/18 unless quarterly instalments apply
5 October	Deadline for notifying HMRC of chargeability for 2018/19 if not within Self-Assessment and receive income or gains on which tax is due, for example rental income or CGT on the sale of a second property.
19 October	PAYE & NIC deductions, and CIS return and tax, for month to 5/10/19 (due 22 October if you pay electronically);
1 November	Corporation tax for year to 31/1/19 unless quarterly instalments apply
19 November	PAYE & NIC deductions, and CIS return and tax, for month to 5/11/19 (due 22 November if you pay electronically)
1 December	Corporation tax for year to 28/2/2019 unless quarterly instalments apply
19 December	PAYE & NIC deductions, and CIS return and tax, for month to 5/12/19 (due 22 December if you pay electronically)
30 December	Deadline for submitting your tax return online if you would like your outstanding tax for 2018/19 collected through payroll (limits apply). If you would like to pay your tax this way please ensure that we receive your tax information in good time to meet the 30 December deadline. Note that the absolute deadline for filing your self-assessment tax return online is 31 January 2020.



# BECOMING A MORE ENVIRONMENTALLY FRIENDLY BUSINESS

There is a general increase in environmental awareness and businesses are expected to play a part in the drive for reduced emissions. Environmental issues have moved to the top of the agenda since recent climate change demonstrations by people across the world as part of the "extinction rebellion". This included protests involving thousands of people across London.

All businesses, regardless of their size, have a part to play when it comes to reducing emissions, recycling and reducing waste. Society is becoming increasingly focused on environmental issues and if businesses want to attract and retain the best talent, they need to move with the times and get involved.

## Do a waste audit

Before you start creating plans to reduce waste, you need to get a sense of what's in your firm's waste stream. By conducting a simple audit of waste across your business, you can identify the main areas that need attention and create a strategy to start tackling the biggest issues. Some waste management companies offer a service where they will assess your firm's waste output and create a report, which you can use as a starting point for your waste-reduction strategy.

## Printing-related waste

Most businesses produce a lot of paper from their printers. Very often, this ends up being shredded. To reduce your paper-related waste, start by encouraging your team to read emails on screen rather than print them. Where documents do need to be printed, take actions such as setting your printer's default settings to double-sided to eliminate as much waste as possible.



## Food-related waste

Plastic or paper cups are another culprit in the office environment. By providing water fountains and encouraging employees to use refillable bottles or ceramic cups, you can drastically reduce the amount of waste produced. If you provide paper plates, replace them with reusable ceramic plates.

## Encourage recycling

Introduce recycling bins to your office(s). Label them clearly and consider appointing a recycling company to collect and empty them regularly.

## Cut your electricity usage

Cutting your electricity usage not only reduces the firm's electricity bills but has the added benefit of being good for the environment. Simple changes like switching to low voltage LED light bulbs throughout your office and using sensors and timers to switch lights off when they are not in use can all contribute significantly to reducing your firm's carbon footprint.

## Training

Once you have created your waste reduction strategy, it's important to invest time in sharing the strategy with your team in order to reduce waste company-wide.