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Written 22 July 2020

## **C19 BUSINESS NEWS UPDATE**

### **MAKING TAX DIGITAL (MTD)**

Yesterday the Government published an overview of Making Tax Digital. The big news is that all VAT registered businesses with VAT turnover below £85,000 will be required to follow MTD rules for returns filed on or after April 2022. That might sound a long way off, but we strongly recommend you taking action now so that you are well prepared for the changes. Please talk to us – we can help you go digital now and you will be amazed at the simplicity of Cloud software and how it will improve your business!

#### Making Tax Digital for VAT

VAT-registered businesses with a taxable turnover above the VAT threshold (£85,000) are now required to follow the Making Tax Digital rules by keeping digital records and using software to submit their VAT returns.

If you are below the VAT threshold you can voluntarily join the Making Tax Digital service now. VAT-registered businesses with a taxable turnover below £85,000 will be required to follow Making Tax digital rules for their first return starting on or after April 2022.

#### Making Tax Digital for Income Tax

Self-employed businesses and landlords with business turnover above £10,000 will need to follow the rules for MTD for Income Tax from their next account period starting on or after 6 April 2023.

Some businesses and agents are already keeping digital records and providing updates to HMRC as part of a live pilot to test and develop the Making Tax Digital service for Income Tax. If you are a self-employed business or landlord you can voluntarily use software to keep business records digitally and send Income Tax updates to HMRC instead of filing a Self-Assessment tax return.

See: <https://www.gov.uk/government/publications/making-tax-digital/overview-of-making-tax-digital>

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The Government has been updating its guidance for Covid-19 and here are a few of the changes for businesses in the UK.

## **VAT: REDUCED RATE FOR HOSPITALITY, HOLIDAY ACCOMMODATION AND ATTRACTIONS**

The government has updated its guidance on reduced rate VAT. A new section about Retail Schemes has been added to the guide. Its original announcement was on 8 July 2020 allowing VAT registered businesses to apply a temporary 5% reduced rate of VAT to certain supplies relating to:

- hospitality
- hotel and holiday accommodation
- admissions to certain attractions

The temporary reduced rate will apply to supplies that are made between 15 July 2020 and 12 January 2021.

### Retail schemes

Catering businesses using retail schemes may have to alter their accounting systems for the period 15 July 2020 to 12 January 2021.

If you have a bespoke retail scheme agreement, you should review it and if you think an alteration is needed, contact your large business Customer Compliance Manager. If you are not a large business customer you should contact: [Kamran.Hussain@hmrc.gov.uk](mailto:Kamran.Hussain@hmrc.gov.uk)

See: [https://www.gov.uk/guidance/vat-reduced-rate-for-hospitality-holiday-accommodation-and-attractions?utm\\_source=201fd1f2-5721-4931-bf8e-260762149a95&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate#history](https://www.gov.uk/guidance/vat-reduced-rate-for-hospitality-holiday-accommodation-and-attractions?utm_source=201fd1f2-5721-4931-bf8e-260762149a95&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate#history)

## **HELP AND SUPPORT IF YOUR BUSINESS IS AFFECTED BY CORONAVIRUS (COVID-19)**

On this webpage you can Watch videos and register for the free webinars to learn more about the support available to help you deal with the economic impacts of coronavirus.

Here are some of the webinars and videos available:

- A webinar about the Eat Out to Help Out scheme.
- A YouTube video about the Self-Employment Income Support Scheme
- YouTube video about 'Extension to the Coronavirus Job Retention Scheme and flexible furloughing'
- YouTube video has been added about the Coronavirus Job Retention Scheme, including flexible furloughing.
- YouTube video for 'Running your business through the coronavirus pandemic'

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See: [https://www.gov.uk/guidance/help-and-support-if-your-business-is-affected-by-coronavirus-covid-19?utm\\_source=9db6a069-6377-488b-89dd-67fa408fcd20&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/help-and-support-if-your-business-is-affected-by-coronavirus-covid-19?utm_source=9db6a069-6377-488b-89dd-67fa408fcd20&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

## **CONSTRUCTION WORKING HOURS: DRAFT GUIDANCE**

This draft guidance sets out further detail on the proposed new route for applicants seeking to extend construction site working hours introduced in the Business and Planning Bill.

The aim of the new temporary fast track deemed consent route under section 74B of the Town and Country Planning Act 1990 is to enable urgent changes to construction working hours to support safe construction working in line with the government's latest social distancing guidance on construction and other outdoor work. For many construction sites, implementation of this guidance will require changes to working practices, including staggered starts and finishes, requiring different hours of operation to those which are currently permitted for the site through planning conditions.

See: <https://www.gov.uk/government/publications/construction-working-hours-draft-guidance/draft-guidance-construction-site-hours-deemed-consent>

## **NEW PLANS TO ENSURE PUBS, RESTAURANTS AND CAFES OFFER BOTH SMOKING AND NON-SMOKING OUTDOOR OPTIONS**

People using pubs, restaurants and cafes will soon have greater freedom to choose non-smoking outdoor areas following an amendment tabled today to legislation in Parliament.

Under the Business and Planning Bill, the government had already set out a range of measures to help these vital businesses safely reopen and get staff back to work by making it quicker, easier and cheaper to operate outside.

The government will not ban outdoor smoking. Since the existing ban was introduced, businesses have invested heavily in their outdoor areas and banning outdoor smoking would lead to significant closures and job losses.

However, today's amendment will ensure that customers are given more choice by ensuring premises offer separate seating for smokers and non-smokers outside.

Laws already exist making it illegal to smoke in enclosed areas and business owners can already make their own non-smoking policies in places where food is served.

See: [https://www.gov.uk/government/news/new-plans-to-ensure-pubs-restaurants-and-cafes-offer-both-smoking-and-non-smoking-outdoor-options?utm\\_source=a96eafc5-e2cf-4308-b09d-80cbeec1c163&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/news/new-plans-to-ensure-pubs-restaurants-and-cafes-offer-both-smoking-and-non-smoking-outdoor-options?utm_source=a96eafc5-e2cf-4308-b09d-80cbeec1c163&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

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## **BOUNCE-BACK PLANS FOR NORTHERN IRELAND'S TECH SECTOR**

Exports Minister outlines Bounce-Back plans for Northern Ireland's tech sector in a series of measures as part of the economic recovery from coronavirus.

Exports Minister Graham Stuart has addressed tech businesses in Northern Ireland, outlining a series of measures to help recovery from the challenges of coronavirus.

The new measures will help create and support jobs by increasing exports and attracting international investment.

Northern Ireland's £1bn tech sector is vital to the nation's economy, employing 28,000 people across 1,200 companies.

Northern Ireland's flourishing tech sector stands to be one of the biggest beneficiaries of "Bounce-Back" plans to help firms recover from the challenges of the coronavirus crisis. Speaking to business owners from the country at a virtual event today, the UK Minister for Exports, Graham Stuart, and Minister of State for Northern Ireland, Robin Walker, outlined a series of measures aimed at turning the UK into a global digital powerhouse.

Around 28,000 people are employed in Northern Ireland's tech sector, which is worth approximately £1bn, across 1,200 companies, with Belfast becoming Europe's leading destination city for new software development projects.

The new measures jointly announced by the Department for International Trade (DIT) and Department for Digital, Culture, Media and Sport (DCMS) last month, will seek to increase tech exports to fast-growing international markets, including Asia-Pacific, strengthen scale-ups' readiness to export, and attract investment to drive innovation and create jobs.

See: [https://www.gov.uk/government/news/bounce-back-plans-for-northern-irelands-tech-sector?utm\\_source=e208ef68-1a82-47fc-b48e-6dea4baf52f9&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/news/bounce-back-plans-for-northern-irelands-tech-sector?utm_source=e208ef68-1a82-47fc-b48e-6dea4baf52f9&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)