



# Swindells accounting update

## January 2024

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# NEWS ROUND-UP

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## HMRC LAUNCHES CRYPTOASSET TAX DISCLOSURE SERVICE

**HMRC has rolled out a new initiative enabling taxpayers to voluntarily disclose unpaid tax on cryptoassets covering exchange tokens, non-fungible tokens, and utility tokens.**

The tax authority has initiated contact with selected taxpayers engaged in cryptoasset transactions who may not have fulfilled their tax obligations.

Taxpayers must report transactions incurring capital gains during the 2022/23 or 2023/24 tax years via self-assessment returns or HMRC's 'real-time' capital gains tax service.

To access the facility, users require a government gateway user ID and password, along with specific information for a comprehensive report submission.

Taxpayers must determine the number of years for which they need to declare unpaid tax, contingent on their past adherence to tax obligations regarding cryptoasset income or gains. The disclosure period could potentially span up to 20 years.

In light of these developments, HMRC advises those uncertain about disclosure to seek specialist advice. [Further guidance](#) on paying taxes for cryptoassets has been issued separately.

This disclosure facility launch aligns with the UK's commitment to joining the Cryptoasset Reporting Framework (CARF). The CARF facilitates the automatic exchange of information on crypto exchanges among financial authorities.

 **Talk to us about your investments.**

## OVERSEAS FIRMS PLEDGE TO INVEST BILLIONS IN THE UK

**In November, Prime Minister Rishi Sunak hosted a summit at Hampton Court to spotlight foreign firms' plans to invest £29.5 billion in the UK, signalling confidence in the economy.**

Despite recent setbacks like the cancellation of HS2, the attendance of global leaders at the summit and Nissan's recent £2bn electric car investment in Sunderland highlight ongoing international interest in the UK.

In his Autumn Statement on 22 November, Chancellor Jeremy Hunt introduced several measures to stimulate domestic business investment amid lower growth forecasts. While the policies were met with some criticism, the OECD notes a rise in UK foreign direct investment to \$14bn (£11bn) in 2022.

The summit focuses on the UK's strengths in innovation, "thriving" universities and key sectors like clean energy and technology.

Notable attendees such as Jamie Dimon emphasised the Government's commitment to growth and foreign direct investment. Ongoing discussions may confirm substantial commitments, including a £10bn investment from IFM Investors and Microsoft's £2.5bn in AI infrastructure.

While the summit underscored the UK's appeal, challenges persist, highlighting the need for ongoing efforts to enhance stability and business-friendly policies.

Commenting on the modest economic outlook for the UK, business and trade secretary Kemi Badenoch said the UK is dealing with "the same problems" as many countries around the world, noting the economy was "doing well despite significant headwinds".



**Talk to us about your business.**



## ADVISORY FUEL RATES DECEMBER 2023

HMRC has published the latest advisory fuel rates (AFR) for company car users, which applies from the 1st December 2023.

The rates for some petrol engines and all vehicles with diesel engines increased by 1p per mile.

Meanwhile, LPG engine rates for 2000cc plus vehicles fell by 1p, while the advisory electricity rate (AER) for fully electric cars dropped from 10p to 9p per mile.

According to HMRC, hybrid cars will be treated as either petrol or diesel cars for AFR purposes.

The AFR for December 2023 to February 2024 are as follows:

| Advisory fuel only milage rates |                |     |
|---------------------------------|----------------|-----|
|                                 | Rates per mile |     |
| Engine size                     | Petrol         | LPG |
| 1400cc or smaller               | 14p            | 10p |
| 1401cc to 2000cc                | 16p            | 12p |
| Over 2000cc                     | 26p            | 18p |

|                   | Rates per mile |  |
|-------------------|----------------|--|
| Engine size       | Diesel         |  |
| 1600cc or smaller | 13p            |  |
| 1601 to 2000cc    | 15p            |  |
| Over 2000cc       | 20p            |  |



The previous rates, effective September 2023, can be used for up to one month from the date the new rates apply.

These rates are only applicable to employees using company cars to either reimburse them for business travel or when an employee needs to repay the cost of fuel used for private travel. Employers must not use these rates in any other circumstances.

The AFR and AER will be updated again on 1 March 2024.

 **Contact us about employee benefits-in-kind.**

## HMRC REMOVES PAYE SELF-ASSESSMENT THRESHOLD

**HMRC has announced a major shift in tax procedures, exempting high earners with PAYE income exceeding £150,000 from self-assessment tax returns starting in the 2024/25 tax year.**

This change, following the recent threshold increase from £100,000 to £150,000 for 2023/24, is expected to benefit approximately 338,000 taxpayers.

While this move appears to streamline the process, caution is advised.

Individuals with additional income, such as dividends, savings interest or rental income, are still obligated to file self-assessment returns.

Furthermore, the Association of Taxation Technicians (ATT) has raised concerns about the reduction in tax returns, potentially increasing penalties and straining HMRC's customer service.

Jon Stride, vice chair of the ATT technical steering group, said:

“From April, if you have dividend income of more than £500, you will have tax to pay on that income if you're an employee earning more than the personal allowance.

“Holding a few shares here and there is not unusual, and dividend information is not readily available to HMRC, so taxpayers will need to remember to contact HMRC to declare this type of additional income and arrange to pay tax on it.”

Stride also warned:

“In a time of high interest rates, plenty of employees could find themselves with tax to pay on their savings. At current interest rates, savings of £10,000 which aren't held in an ISA could easily give rise to a tax liability for a higher rate taxpayer.”

Changes to the dividend allowance also open up risks of tax liability.

ATT said that reducing tax returns would not benefit HMRC, and if anything, it would put more pressure on HMRC's already stretched customer service staff.

## AMEND YOUR PAYE CODES

PAYE codes can be amended to ensure tax codes are correct, but this requires interaction with HMRC, defeating the goal of reducing calls to HMRC.

Stride voiced concern at the lack of consultation:

“As was the case with the rule change on self-assessment announced in June, there was no consultation of these proposals. We worry the changes may have been introduced primarily as a cost-saving measure without consideration of the wider impacts.”

 **Talk to us about these changes.**

## WANT TO TALK TO AN EXPERT?

If you've found the topics covered in this report to be of interest or would like to delve deeper into any of them, we welcome the opportunity to engage in a more detailed discussion with you. Our team of experts is always keen to share insights, and we're confident that a conversation with us can provide valuable perspective.

We are also well-positioned to update you on the latest trends, opportunities, and challenges in the business world. As we all know, staying ahead of the curve is vital in today's fast-paced business landscape, and we are here to help you navigate it successfully.

If you're considering getting extra support, we invite you to explore the comprehensive solutions we offer.

To schedule a meeting or to get more information, please don't hesitate to contact us.

 **Get in touch with our accounting team.**



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