

VALUE ADDED

Now you have read this issue of *Taxation*, be sure that you and your staff make the most of it!

Assign any action points to members of staff by entering the staff member's initials in the box alongside it, then filling in the circulation list. You and your staff can then convert your reading into a more structured form of CPD by taking the online quiz, which will give you a record of your score by email – the notes below will help you check before starting that you remember the key points!

If you do not have staff, then use this page as a reminder for yourself to plan any action that you need to take, and to complete the online CPD quiz to verify what you have learned.

CIRCULATION
NAME

READ X

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CPD ONLINE

The online CPD quizzes can be accessed at www.lexisurl.com/taxcpd. Before taking this week's, check that you have read the items referred to below.

- [1] In 'A way forward', think about the ways in which a new regime could be created which would reduce the difference between different types of business and employment taxation.
- [2] In 'Hold on to 10%', pages 10-13, have you followed the history of the changes to entrepreneurs' relief over the past year?
- [3] Still in 'The best of both worlds', look carefully at the conditions which connect an individual with a company with shares issued under the enterprise investment scheme.
- [4] In 'Relying on IR20' be sure you understand the main thrust of HMRC's argument as to why IR20 did not give the taxpayers in the *Gaines- Cooper case* a legitimate expectation about their residence status sufficient to be able to claim judicial review.
- [5] In Readers' Forum, page 14, check that you understand the way that NIC works when an employee starts work in one pay period but is actually paid in another.
- [6] Still in Readers' Forum, a tricky one to finish this time - make sure you have paid attention to the section numbers relevant to the remittance basis of tax, and precisely what each one of them does.

ACTION POINTS

- [1] Check your client database for traders with disclosed turnover in excess of the VAT limit or close to it, and confirm that they are registered for VAT or still do not have to (page 2). INITIALS
- [2] Download the latest toolkit from HMRC on business profits and see what changes, if any, you need to make to your own working sheets in order to cover the points on it. Using the toolkit is not mandatory, and may not be practicable, but the contents need to be considered (page 3). INITIALS
- [3] Do you have any clients receiving a reduced pension through only paying reduced rate contributions? If so, do you know that they made an election to do so? If they say they did not, consider whether the *Spraggs* case could be relevant (page 4). INITIALS
- [4] Client companies with cash balances being kept for future investment should carefully minute what they are going to do with them (page 11). INITIALS
- [5] When a client is selling on an earn-out basis, consider restructuring the deal as a maximum price sale with a warranty if profits do not meet expectations, to maximise entrepreneurs' relief (page 13). INITIALS
- [6] Be careful when issuing a new class of shares in a company with EIS investors, in case you inadvertently give the EIS investors preferential rights, which they are not allowed to have (page 15). INITIALS
- [7] If you have clients who relied on IR20 when becoming non-resident, and HMRC are currently challenging their status, wait until the decision in *Gaines Cooper* before making any settlement (page 18). INITIALS
- [8] If you have farming clients where more than one generation has a house on the farm, consider which of them should be treated by HMRC as farmhouses for tax purposes (page 24). INITIALS

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