

Written 1 February 2021

BUSINESS NEWS

It is just over a year that the first known official case of Covid-19 arrived in the UK. Sometime in the future there will be time to reflect on the government's response but now is not that time.

Now is the time to stay safe and be patient and hope that new vaccines such as Novavax, Janssen and others being pursued can be produced and rolled out quickly.



The UK continues to give first doses of the vaccine to the most vulnerable and it is hoped that by the end of this month 15 million plus people will have some level of protection. That would put the Government on track for achieving its aim of offering a first dose vaccine to everyone over 70, the extremely clinically vulnerable and frontline health and care workers. We do not see this ending the lockdown until late spring because there is still a significant burden on the NHS. Indeed, tighter controls for the short term are happening and last week we saw the Government implement tougher controls to minimise travel across international borders.

The Government has announced further action for outbound and inbound passengers to minimise travel across borders and reduce the risk of Covid-19 transmission.

The measures announced include:

For those wishing to travel out of the UK

- declaring reason for travel: anyone who does not have a valid reason for travel will be directed to return home and may face a fine - the reason for travel will be checked.
- increased police enforcement: there will be an increased police presence at ports and airports, fining those in breach of the stay-at-home regulations - anyone without valid reason for travel will be directed to return home and may face a fine.
- reviewing travel exemptions: the list of travel exemptions will be reviewed so that only the most important and exceptional reasons are included.

For those seeking to enter the UK

- managed isolation in hotels: this will be for those arriving from countries where they have imposed international travel bans and who cannot be refused entry - they will be required to isolate for 10 days without exception and more details will be provided in due course.
- police checks - police are carrying out more physical checks at addresses to make sure people are self-isolating.

No Self-Assessment late filing penalty for those who file online by 28 February.

HMRC has announced Self-Assessment taxpayers who cannot file their tax return by the 31 January 2021 deadline will not receive a late filing penalty if they file online by 28 February.

Taxpayers are still obliged to pay their bill by 31 January. Interest will be charged from 1 February on any outstanding liabilities. Anyone who cannot afford to pay their tax bill on time can apply online to spread their bill over up to 12 months. They will need to file their 2019 to 2020 tax return before setting up a time to pay arrangement, so HMRC is encouraging everyone to do this as soon as possible.

We have filed all of our client's tax returns on time but do contact us if you need assistance.

See: <https://www.gov.uk/government/news/no-self-assessment-late-filing-penalty-for-those-who-file-online-by-28-february>

BREXIT NEWS

For smaller UK businesses exporting to the EU, the new Brexit rules have so far been problematic for many and unworkable for some. One of the unexpected issues that has emerged is highlighted below.

Rule of origin confusion.

Since the 1 January, many UK businesses have since discovered that they now face significant additional costs and must handle more responsibilities on their exports bound for the EU.

While businesses continue to comprehend the complexities of the agreement, one such difficulty which has become immediately apparent is the "Rule of Origin". The rule means that any goods arriving to the UK from outside the EU, which are then exported from the UK into the EU, will be subject to customs duties. This has come as a surprise to many firms - particularly for those businesses which continue to source their products from outside the UK or the EU and now leaves many UK businesses with a serious competitive disadvantage going forward with a number of unattractive choices to consider.

The first option is to absorb the additional costs and responsibilities, but this option will increase the costs and therefore impact on the related profit margin arising from EU exports.

Secondly, UK businesses could cease trading with EU customers which will have the effect of reducing the business activities of the company equal to the revenue foregone by ceasing to trade in this market.

Thirdly, UK business could incorporate a company in a country which continues to be a member state of the EU. This will eliminate the many difficulties arising as a result of the recent Trade and Cooperation Agreement and should have little or no overall effect on the level of turnover undertaken by the business going forward. Taking such a step could result in increased level of business within the EU over time.

If you are looking at your options please talk to us as we have contacts in the EU who are currently engaged in providing advice to UK companies wishing to explore the option of establishing an EU subsidiary for a UK holding company. If structured correctly, the EU entity can be used as a trading vehicle to import products from outside the EU and distribute them to customers.

COVID-19 GOVERNMENT SUPPORTS NEWS

Below is a weekly roundup of Government supports for businesses and individuals in the UK. Please talk to us if you need help in applying for Government support.

Changes to the Kickstart Scheme grant.

The Kickstart Scheme provides funding to employers to create job placements for 16- to 24-year-olds on Universal Credit is changing. So far more than 120,000 jobs have been created and the new changes make the scheme easier for businesses to apply.



Employers of all sizes can apply for funding which covers:

- 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of 6 months.
- associated employer National Insurance contributions.
- employer minimum automatic enrolment contributions.

Employers can spread the start date of the job placements up until the end of December 2021.

From 3 February 2021, employers can apply directly to the Kickstart scheme for any number of job placements. The Government is removing the threshold of 30 job placements.

Businesses can also choose to apply through a Kickstart gateway, including those supporting sole traders. Kickstart gateways already working with the scheme can continue to add more employers and job placements to their grant agreement.

Grants available are:

- £300 per job placement to cover admin costs.
- £1,500 per job placement for employers.

This funding is for setup costs and to support the young person to develop their employability skills. Employers can choose to get someone else to do this for them, such as a Kickstart gateway or a service provider. If they choose to do this they will have to agree how to share the £1,500.

Kickstart Scheme wages and related costs for employers

- 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of 6 months.
- associated employer National Insurance contributions.
- employer minimum automatic enrolment contributions.

See: <https://www.gov.uk/government/collections/kickstart-scheme>

The Coronavirus Job Retention Scheme has been extended until 30 April 2021

If you cannot maintain your workforce because your operations have been affected by coronavirus (COVID-19), you can furlough employees and apply for a grant to cover a portion of their usual monthly wage costs where you record them as being on furlough.

The Coronavirus Job Retention Scheme has been extended until 30 April 2021. You can claim 80% of an employee's usual salary for hours not worked, up to a maximum of £2,500 per month.

You can claim for employees who were employed on 30 October 2020, as long as you have made a PAYE RTI submission to HMRC between the 20 March 2020 and 30 October 2020, notifying a payment of earnings for that employee. This may differ where you have made employees redundant, or they stopped working for you on or after 23 September 2020 and you have subsequently re-employed them.

All employers with a UK, Isle of Man or Channel Island bank account and UK PAYE schemes can claim the grant. You do not need to have previously claimed for an employee before the 30 October 2020 to claim.

Employers can furlough employees for any amount of time and any work pattern, while still being able to claim the grant for the hours not worked. Employers must pay for employer National Insurance contributions and pension costs.

Claims for furlough days in January 2021 must be made by 15 February 2021. You can no longer submit claims for claim periods ending on or before 31 October 2020.

Talk to us about helping you claim a CJRS grant – we have been helping our clients for many months and we can estimate claims in advance to help your cash flow planning.

See: https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme?utm_medium=email&utm_campaign=govuk-notifications&utm_source=ada8c567-1caa-468d-a680-0da7b15cc7cb&utm_content=daily

Ask HMRC not to publish your Coronavirus Job Retention Scheme (CJRS) claim details.

You can request that HMRC does not publish details about your CJRS claim, if you can show evidence that it would result in serious risk of violence or intimidation to:

- you or anyone living with you.
- an individual associated with your business or anyone living with them.

Examples of individuals associated with your business include:

- an employee
- a director, officer or employee of that company
- a partner, officer or employee of that partnership
- a member or employee of a limited liability partnership
- a settlor, trustee or beneficiary of a trust

You must make this request yourself; we cannot do it for you.

HMRC will not publish any of your details until a decision has been made and you have been informed.

To submit a request, you will need your:

- employer Government Gateway ID and password.
- employer PAYE reference number.
- business name.
- contact details.

You must provide evidence of why you think there would be a serious risk. Evidence can be:

- written details of why you think publication could lead to the threat of violence or intimidation.
- a police incident number if you've already been threatened or attacked.
- photos of a previous threat or attack.
- evidence of possible disruption or targeting.
- any other material which can support your request.

To submit a request see: https://www.gov.uk/guidance/ask-hmrc-not-to-publish-your-coronavirus-job-retention-scheme-claim-details?utm_medium=email&utm_campaign=govuk-notifications&utm_source=f686df3f-d351-4e95-ab29-e343bbbc051d&utm_content=daily

Pay Coronavirus Job Retention Scheme (CJRS) grants back.

If you have overclaimed for CJRS then HMRC encourage employers to pay all or some of the grant back or if you do not need the grant and want to make a voluntary repayment you can do so using the link below.

You can either:

- correct it in your next claim (your new claim will be reduced, and you will need to keep a record of the adjustment for 6 years)
- get a payment reference number and pay HMRC back within 30 days (only if you are not making another claim)

You must use the online service to get your payment reference number before you can pay HMRC back. You should only do this if you are not making another claim.

Please talk to us if you have any concerns about past claims and we will help put matters in order.

See: https://www.gov.uk/guidance/pay-coronavirus-job-retention-scheme-grants-back?utm_medium=email&utm_campaign=govuk-notifications&utm_source=015bc650-205d-44b5-8fce-e950e28a37d1&utm_content=daily

Companies House (CH) pause voluntary and compulsory strike off processes for one month.

CH have temporarily paused voluntary and compulsory strike off processes for one month from 21 January until 21 February 2021.



CH has reduced the number of staff in their offices to become more Covid safe. This has led to delays in processing correspondence, documents and forms. They have temporarily paused strike off processes so that companies are not adversely affected by these delays.

CH will continue to publish first Gazette notices for voluntary strike off applications to minimise the impact on those who have applied to close their company - but they will not be publishing the second Gazette notice and striking companies off during this period. For companies on the compulsory strike off path, they will not be publishing first and second Gazette notices.

CH state that Pausing strike off processes will provide companies with more time to update their records and help them avoid being struck off the register. It will also protect creditors

and other interested parties who might have had difficulties in receiving notices or registering an objection, or whose objections have not yet been processed.

CH will continue to remind businesses about their filing responsibilities during this period. CH digital services are available as normal, and they encourage all customers to file online if able to do so.

See: https://www.gov.uk/government/news/companies-house-to-pause-voluntary-and-compulsory-strike-off-processes-for-one-month?utm_medium=email&utm_campaign=govuk-notifications&utm_source=1e5571b3-be31-4826-a226-11aa6f34e5e6&utm_content=daily

How trading conditions affect eligibility for the Self-Employment Income Support Scheme.

HMRC has updated its guidance to define what it means by reduced activity, capacity or demand or temporary closure and gives examples of how this could affect eligibility.

Claims for the third SEISS grant have now closed. The last date for making a claim for the third grant was 29 January 2021. This guidance applies to claims made during the third grant period. Details about the fourth grant will be announced on 3 March 2021.

To be able to claim for the third grant, you must either:

- be currently trading but are impacted by reduced demand due to coronavirus.
- have been trading but are temporarily unable to do so due to coronavirus.
- You must also:
- intend to continue to trade.
- reasonably believe there will be a significant reduction in your trading profits due to reduced demand or your inability to trade.

You must also meet all other eligibility criteria to make a claim.

HMRC expects claimants to make an honest assessment about whether they reasonably believe their business will have a significant reduction in profits.

Please do talk to us about making a claim or any concerns you may have.

See: https://www.gov.uk/guidance/how-your-trading-conditions-affect-your-eligibility-for-the-self-employment-income-support-scheme?utm_medium=email&utm_campaign=govuk-notifications&utm_source=d6437f6d-4ab2-40ba-ba8a-aba681c8f471&utm_content=daily

Plan for Jobs: skills, employment and support programmes for jobseekers.

HM Treasury has updated its webpage on guidance for jobs seekers so they can develop their skills, get advice on job applications, and search for opportunities.

The page links to the “Find a job” job vacancy service and the “Job help website”. There are also links to the National Careers Service, “Find an apprenticeship” and Kickstart websites.

Information on learning new skills and personalised support is also provided.

See: https://www.gov.uk/government/collections/plan-for-jobs-skills-employment-and-support-programmes-for-jobseekers?utm_medium=email&utm_campaign=govuk-notifications&utm_source=3cc8cfa0-c578-4323-a81d-c6f84b8c81b3&utm_content=daily

The Airport and Ground Operations Support Scheme is now open – England.

The Government's support scheme is open to commercial airports and ground handlers who have been financially impacted by the COVID-19 pandemic.

Commercial airports and ground handlers will be able to apply for up to £8 million each to support with fixed costs while travel restrictions remain in place. The financial relief will help airports and ground handlers to cover losses on costs including airfield operations, contracted services such as airfield and runway maintenance, and business rate bills.

The investment will help airports and ground handlers, following the introduction of international travel restrictions designed to protect public health and prevent the spread of COVID-19. Recognising the crucial role the sector plays and its contribution to the UK economy, the scheme will support the aviation industry while the government continues to roll out its vaccination programme.

See: https://www.gov.uk/government/news/governments-multimillion-pound-support-scheme-for-airports-opens-today?utm_medium=email&utm_campaign=govuk-notifications&utm_source=1dd45120-734e-47bc-b4f6-a486e2123dd0&utm_content=daily