

24 March 2021

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1. Private client

1.1 Agents to be able to make bulk appeals

Reports indicate that HMRC will allow agents to appeal multiple late filing penalties at once, provided that the reason for late filing was COVID-related.

HMRC is starting to issue £100 late filing penalties to the 1.1 million taxpayers who did not submit their self-assessment return by 28 February.

The ICAEW reports that HMRC is introducing a process to allow agents wishing to appeal these penalties for multiple clients to submit one appeal covering up to 25 clients. Further details may be available from 24 March.

These bulk appeals will only be suitable where the reasonable excuse is COVID-related. Other appeals should be made in the usual way.

www.icaew.com/insights/tax-news/2021/mar-2021/news-in-brief-17-march

2. Trusts, estates and IHT

2.1 Trust registration service: extension delayed

Due to a delay with the IT system, the March 2022 deadline for registering trusts newly in scope of the Trust Registration Service (TRS) will be pushed back. No date has been set, but registrations will only be possible from summer 2021.

The fifth EU anti-money laundering directive extended the requirement to register with the TRS to many trusts currently excluded. HMRC had set a deadline of March 2022 for initial registrations. A delay to implementing the IT system update means that these new registrations will only be possible from summer 2021. Given the shortened window for registrations, HMRC has agreed that the deadline will be extended. A final date has not been set, but HMRC has committed to leaving approximately 12 months between the IT system opening and the deadline.

www.tax.org.uk/policy-technical/technical-news/delay-implementation-trs-under-5mld

3. VAT

3.1 CJEU rules on the impact of VAT grouping on offshore branches

The CJEU has further clarified the principle that supplies between a company headquartered in one country and its branch in another country are within the scope of VAT if one of the two is a member of a VAT group. This applies even though the headquarters and the branch are the same legal entity.

A Danish bank, which was a member of a Danish VAT group, had a Swedish branch. The branch was not part of the VAT group because VAT law requires group members to be established in the same jurisdiction. The headquarters and the branch were therefore to be treated as separate taxable persons by the Swedish tax authorities because the headquarters was part of a VAT group in a different country. Transactions between the headquarters and the branch were therefore subject to VAT, according to the tax authorities. The bank argued that the headquarters and the branch were a single taxable person following the decision in *FCE Bank* (Case C-210/04). On that basis, the transactions were outside the scope of VAT.

The CJEU ruled that the headquarters and the branch were separate taxable persons. The VAT grouping of the headquarters caused it to be part of the single entity constituted by the VAT group, rather than an independent entity. Furthermore, a VAT group cannot include entities in different jurisdictions, so it must be a separate entity to the branch. The supply of services from the headquarters to the branch was therefore a supply from one entity to another, and thus within the scope of VAT. This is consistent with a similar decision in *Skandia* (Case C-7/13), where the facts were reversed. In that case, the CJEU ruled that if an offshore branch is part of a VAT group then it is a separate taxable person to its non-VAT grouped headquarters. This has implications for all cross-border services within the same legal entity where either the head office or the branch is within a VAT group in their own country.

Danske Bank A/S, Danmark, Sverige Filial v Skatteverket Case C-812/19

<https://curia.europa.eu/juris/liste.jsf?lgrec=fr&td=%3BALL&language=en&num=C-812/19&jur=C>

4. Tax publications and webinars

4.1 Tax publications

The following Tax publications have been published.

- [End of year tax planning](#)

4.2 Webinars

The following client webinars are coming up over the next week.

- 25 March 2021: Land agent tax update webinar
- 25 March 2021: Professional Practices Spring Webinar Series

<https://smithandwilliamson.com/en/events/>

5. And finally

5.1 Tax galore

For those who thought every day at the Treasury was Tax Day, think again. For the first time this year the consultations normally published with the Budget have been given a day of their own, their own time to shine.

Dubbed 'Tax Day', this has only one disadvantage compared to the Budget: no set time of announcement. We've never refreshed the Treasury website so often...

www.gov.uk/government/news/government-to-publish-range-of-tax-consultations-and-calls-for-evidence-on-23-march

<https://committees.parliament.uk/publications/4721/documents/47608/default/>

Glossary				
Organisations		Courts	Taxes etc	
ATT - Association of Tax Technicians	ICAEW - The Institute of Chartered Accountants in England and Wales	CA - Court of Appeal	ATED - Annual Tax on Enveloped Dwellings	NIC - National Insurance Contribution
CIOT - Chartered Institute of Taxation	ICAS - The Institute of Chartered Accountants of Scotland	CJEU - Court of Justice of the European Union	CGT - Capital Gains Tax	PAYE - Pay As You Earn
EU - European Union	OECD - Organisation for Economic Co-operation and Development	FTT - First-tier Tribunal	CT - Corporation Tax	R&D - Research & Development
EC - European Commission	OTS - Office of Tax Simplification	HC - High Court	IHT - Inheritance Tax	SDLT - Stamp Duty Land Tax
HMRC - HM Revenue & Customs	RS - Revenue Scotland	SC - Supreme Court	IT - Income Tax	VAT - Value Added Tax
HMT - HM Treasury		UT - Upper Tribunal		

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