

## Global Tax Update

### United Kingdom

Deloitte Tohmatsu Tax Co.

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#### 1. Reduction in late payment interest rate

Following the announcement that the Bank of England interest rate will be reduced from 0.5% to 0.25%, HM Revenue & Customs ("HMRC") have confirmed that their rates for late payments will be reduced accordingly. HMRC's late payment interest rate is set at 2.5% above the base rate, so it is reducing from 3% to 2.75% (SI 2011/2446). Repayment interest rates are staying at the minimum level of 0.5%. For most taxes, the effective date of the change is 23 August 2016 (the 13th working day after the Bank of England Monetary Policy Committee meeting). For Quarterly Instalment Payments (QIPs), the change takes effect from 15 August 2016.

See <http://deloi.tt/2bfJdIB>

#### 2. HMRC guidance on non-statutory clearances

HMRC have issued updated guidance on their non-statutory clearance service, together with supplementary Annexes. HMRC say that the Annexes should be considered alongside their non-statutory clearance service guidance. Before using HMRC's clearance service taxpayers should have first:

- checked that the transaction is not covered by a more appropriate clearance or approval route and
- considered HMRC's guidance to see if this answers their question.

See <http://deloi.tt/2aATqOE>

#### 3. HMRC updated papers on UK tax implications of FRS 101; FRS 102

HMRC have updated their two papers which summarise the key accounting changes and tax implications that arise for companies that change from current UK GAAP to FRS 101 or FRS 102.

Each paper is split into two parts: one provides a comparison with the accounting and tax implications under current UK GAAP, the other covers the issues that arise on transition. One paper covers the accounting and tax implications for companies that change from current UK GAAP to FRS 101, the other those implications for companies that change from current UK GAAP to FRS 102. Although the papers consider the corporation tax implications, many of those within the charge to income tax may also find them helpful.

See <http://deloi.tt/2byBRgj>

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## Contacts

### Deloitte LLP (London)

Yuki Konii, Partner [ykonii@deloitte.co.uk](mailto:ykonii@deloitte.co.uk)

Hiro Hidaka, Director [hhidaka@deloitte.co.uk](mailto:hhidaka@deloitte.co.uk)

## Issued by

### Deloitte Tohmatsu Tax Co.

#### Tokyo Office

Shin-Tokyo Building 5F, 3-3-1 Marunouchi, Chiyoda-ku, Tokyo 100-8305, Japan

Tel: +81 3 6213 3800

email: [tax.cs@tohmatu.co.jp](mailto:tax.cs@tohmatu.co.jp)

Corporate Info.: [www.deloitte.com/jp/en/tax](http://www.deloitte.com/jp/en/tax)

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