



GET READY FOR THE NEW DATA PROTECTION RULES

The government is to introduce new data protection rules under the General Data Protection Regulation (GDPR) which takes effect from 25 May 2018.

Under the GDPR, businesses will have increased obligations to safeguard the personal information of individuals which is stored by the business. These rules apply to the information of customers, suppliers or employees. Generally, for those who are currently caught by the Data Protection Act it is likely that you will have to comply with GDPR.

GDPR will apply to data 'controllers' and 'processors'. Processing is about the more technical end of operations, such as storing, retrieving and erasing data, whilst



Watch the TAX TV video on our website for an overview.

controlling data involves its manipulation in terms of interpretation or decision-making based on the data. The data processor processes personal data on behalf of a data controller. Obligations for processors are a new requirement under GDPR.

The GDPR applies to personal data on a wider basis than under the Data Protection Act (DPA).

One key change to the current DPA rules is that those affected will have to show how they have complied with the rules. Proof of staff training and reviewing HR policies are examples of compliance.

Under GDPR, higher standards are set for consent. Consent means offering people genuine choice and control over how their data is used.

Overall, the aims of GDPR are to create a minimal data security risk environment and to protect personal data through the application of rigorous standards. For most organisations, this will entail time and energy getting up to speed with compliance procedures. Reviewing consent mechanisms

already in place is likely to be a key priority. In practice, this means things like ensuring active opt-in, rather than offering pre-ticked opt-in boxes, which become invalid under the new rules.

Organisations will also have to think about existing DPA consents. The ICO's advice is that:

'You should review how you seek, record and manage consent and whether you need to make any changes. Refresh existing consents now if they don't meet the GDPR standard.'

Where the current consents do not meet the new GDPR, action will be needed.

The fines for non-compliance are severe at up to 20 million euros or 4% of total worldwide annual turnover (if higher).

The Information Commissioner's Office (ICO) has published some very useful information, and a 12-step planning guide to help organisations get ready ahead of the May 2018 deadline. These can be found at ico.org.uk



MAKING TAX DIGITAL FOR VAT

The government has issued information on how Making Tax Digital for Business (MTDfB) is expected to work for VAT once the rules are introduced in April 2019.

Under the proposed rules, which have been issued subject to consultation, VAT-registered businesses with turnover which is more than the VAT registration threshold will be required to submit their VAT return digitally using software. Businesses with a turnover above the VAT threshold (currently £85,000) will have to:

- keep their records digitally (for VAT purposes only)
- provide their VAT return information to HMRC through Making Tax Digital (MTD) functional compatible software

This software will either be a software program or set of compatible software programs which can connect to HMRC systems via an Application Programming Interface (API). The functions of the compatible software include:

- keeping records in a specified digital form
- preserving digital records in a specified digital form
- creating a VAT return from the digital records and providing HMRC with this information digitally
- providing HMRC with VAT data on a voluntary basis
- receiving information from HMRC via the API platform that the business has complied with

Businesses will need to preserve digital records in the software for up to six years. Further information on the required information can be found at gov.uk

The government will make the final detailed requirements available to the software providers by April 2018 to allow time for the software to be developed and tested prior to the rules coming into effect from April 2019.

VAT is the first tax to be reportable under MTD and businesses within the scope of MTD will need to keep their records digitally, using approved MTD functional compatible software, from 1 April 2019. The software will create the return from the digital records and this will need to be submitted under MTD for return periods starting on or after 1 April 2019.

We will keep you informed of developments in this area and ensure you are ready to deal with the new requirements. Please contact your Rothmans branch for more information.

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DELAY TO ROLL-OUT OF TAX-FREE CHILDCARE

The government has announced a delay to the roll-out of tax-free childcare which was expected to be fully implemented by the end of the year. From 24 November 2017, the service became available to parents whose youngest child is under 6 or has their 6th birthday on that day. Parents can apply online through the childcare service which can be accessed via the Childcare Choices website (www.childcarechoices.gov.uk/).

In April 2017, HMRC started rolling out the childcare service via a single website through which parents can apply for both 30 hours' free childcare and tax-free childcare. The roll-out started with parents of the youngest children first. HMRC acknowledge that over the summer some parents didn't receive the intended level of service when using the website and that they have subsequently made significant improvements. For those parents who have had difficulties in accessing the service, compensation may be available, for more information visit gov.uk.

Over the coming months, HMRC will gradually open the childcare service to parents of older children, whilst continuing to make further improvements to the system. HMRC hope this strategy of managing the volume of applications will result in prompt eligibility responses when parents apply, with 'almost all parents receiving a response within five working days, and most getting their decision instantly'.

All eligible parents will be able to apply by the end of March 2018. Parents will be able to apply for all their children at the same time, when their youngest child becomes eligible.

Tax-free childcare is the new government scheme to help working parents, both employed and self-employed, with the cost of childcare. For every £8 a parent pays in, the government will pay in an extra £2. Parents can receive up to £2,000 per child, per year, towards their childcare costs, making a total amount of £10,000. Higher limits of £4,000 and £20,000 apply for disabled children.

To qualify for tax-free childcare, parents and partners in the household must generally meet a minimum average income level of £120 a week and each earn less than £100,000 a year.

The scheme will eventually be available for children up to the age of 12, or 17 for children with disabilities. Those eligible will be able to apply for all of their children at the same time.

Employer Supported Childcare, usually by way of childcare vouchers, will remain open to new entrants until April 2018 to support the transition between the schemes and it will continue to be available for current members if they wish to remain in it, or they can switch to the new scheme. It is not possible to benefit from both Employer Supported Childcare and tax-free childcare at the same time.

Please contact your Rothmans branch if you have any further questions.

WHAT WILL THE IMPACT OF THE BUDGET BE FOR YOUR BUSINESS?

The post-election Budget, a first Autumn Budget, included a number of significant tax changes.

This Budget also began to reveal the government's approach to tax policy in preparation for Brexit.

Rothmans hosted a free Budget Seminar in Southampton on 23 November to provide a timely insight into the budget's impact for businesses and private individuals in the region.

Guest speaker was tax expert, Tim Good, whose lectures to professional audiences across the UK are renowned for being both highly informative and entertaining.

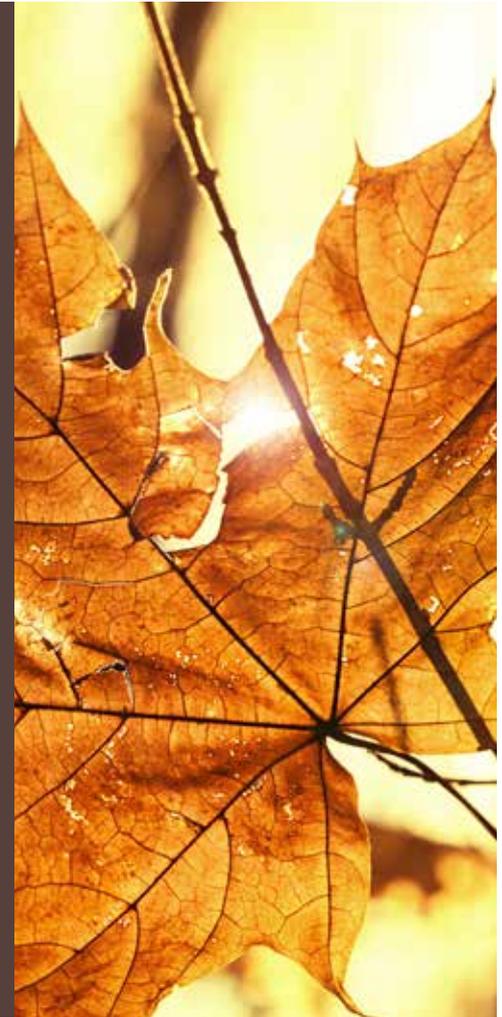
The seminar was followed by drinks and canapés and an opportunity to ask

detailed questions and network. Tim Good is one of the founding partners of The Professional Training Partnership and a director of PTP Ltd and Absolute Accounting Software Ltd. As well as being presenter of TAX TV and editor and publisher of PTP's monthly Professional Tax Update, he is the original author of three chapters in Tolley's Tax Planning.

He is also a past member of the Editorial Board of the Tax Faculty of the Institute of Chartered Accountants in England and Wales.

Rothmans holds several seminars during the year so if you would like further information on how to attend these, please contact your local Rothmans branch.

To download our full Budget Commentary, visit rothmansllp.com



DELAY IN THE ABOLITION OF CLASS 2 NIC

The government has announced that it will introduce legislation to abolish Class 2 national insurance contributions (NIC) and to make further proposed NIC changes in 2018.

The measures the legislation will implement will now take effect one year later than previously announced; from April 2019. These measures include: the abolition of Class 2 NIC paid by self-employed individuals, reforms to the Class 1A NIC treatment of termination payments (the £30,000 rule) and changes to the NIC's treatment of sporting testimonials.

On 2 November 2017, the government announced a one-year delay to the abolition of Class 2 NICs. Class 2 NICs will now be abolished from 6 April 2019 rather than 6 April 2018.

The government has stated that 'the delay will allow time for the government to engage with interested parties and Parliamentarians with concerns relating to the impact of the abolition of Class 2 NICs on self-employed individuals with low profits'.

If you have any questions or need assistance, please contact your Rothmans branch.



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AUTOMATIC ENROLMENT: MINIMUM CONTRIBUTION LEVELS DUE TO INCREASE IN APRIL 2018 AND APRIL 2019

By law, on 6 April 2018, all employers are required to increase their contributions into their staff's automatic enrolment pension to at least 2%. Staff contributions will also increase so that their contributions make up the shortfall needed to bring the total minimum contribution up to 5%.

Contribution levels will rise again on 6 April 2019, with the employer paying a minimum of 3% towards the pension and the total minimum contribution reaching 8% – with staff making up the 5% difference.

The table below shows the minimum contributions employers who set up a defined contribution scheme for automatic enrolment must pay, and the date when they must increase. This is calculated based on earnings of between £5,824 to £43,000 per year (£486 to £3,583 per month, or £112 to £827 per week) and including certain elements of pay.

Date effective	Employer minimum contribution	Staff contribution	Total minimum contribution
Until 5 April 2018	1%	1%	2%
6 April 2018 to 5 April 2019	2%	3%	5%
6 April 2019 onwards	3%	5%	8%

If you have any questions or need assistance, please contact your Rothmans branch.

SIR CLIVE WOODWARD OBE SHARES HIS SECRETS OF SUCCESS WITH BUSINESSES IN THE SOUTH



Hundreds of business owners in the South had a rare opportunity to share in the secrets of how to create high-performing business teams from Rugby World Cup winning coach and businessman, Sir Clive Woodward OBE.

Sir Clive was the keynote speaker at 2017's Business Leaders Lecture, hosted by Rothmans, at the Hilton, at the Ageas Bowl, Southampton.

As well as working at the highest level in a number of elite sporting roles, including as England's Rugby first full-time Head Coach and Director of Sport for Team GB at the London Olympics, Sir Clive has enjoyed an impressive career in business. He also works with numerous international companies to improve individual and collective performance.

In his presentation, he focused on how bringing many of his uniquely successful techniques off the playing field and into the boardroom creates high-performing business teams.

He said that his success in the sporting world taught him that "great teams are made up of great individuals", and that four things make up the DNA of a champion, whether at work or in sport: talent, learning, thinking and hard work.

"Your competitors also have talent," Sir Clive said. "Talent is the starting position, not the finishing one." He went on to say that you also need 'teachability' – the thirst for knowledge and a passion for learning more about your business. The ability to handle pressure is also a key indicator of success, he said – "winners perform at their best when the pressure is greatest."

Martin Osborne, Rothmans Senior Partner, said, "Sir Clive is an innovative leader and motivator, whose team-building skills and management methods transcend sport.

"His lecture inspired all of us to take on board what it takes to lead effective teams and develop our own potential by using his approach and techniques."

Delegates leaving the event were impressed by Sir Clive's unique perspective on how to build and develop high-performance business teams. "This was one of the best leadership and networking events I've been to and I really enjoyed it," one of the delegates said, while another cited the "presentation's relevance to how we run our business and recruit and build our teams".

A further comment summed up the presentation as "A very different and thought-provoking event that clearly attracted a great deal of interest as a result of the huge turn-out."

For further information contact one of our offices:

Chandlers Ford

T +44 (0) 23 8026 5550
E chandlers-ford@rothmansllp.com

Havant

T +44 (0) 23 9248 2683
E havant@rothmansllp.com

Fareham

T +44 (0) 1329 280221
E fareham@rothmansllp.com

London

T +44 (0) 20 7871 9711
E london@rothmansllp.com

Petersfield

T +44 (0) 1730 266816
E petersfield@rothmansllp.com

Ringwood

T +44 (0) 1425 479977
E ringwood@rothmansllp.com

Salisbury

T +44 (0) 1722 413413
E salisbury@rothmansllp.com

Southampton

T +44 (0) 23 8021 1088
E southampton@rothmansllp.com

Sutton

T +44 (0) 20 8642 1048
E sutton@rothmansllp.com

Winchester

T +44 (0) 1962 842345
E winchester@rothmansllp.com