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Tax oddities – what to be wary of

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Tax traps - common risk areas

- Land transactions
- Corporate sponsorship
- One off receipts
- Joint ventures with commercial third parties

Land transactions

- Outright disposals not always an exempt gain
- Transactions in land rules
- Overage receipts/share of development profits
- Does planning permission constitute ‘development’?
- Old rules vs new rules – HMRC guidance

Corporate sponsorship

- Donation vs payment for services?
- Exactly what is the charity providing to the corporate?
- Sponsorship linked to a specific charitable activity
- Direct tax position may be different to VAT position



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One off receipts

- Capital or revenue?
- If revenue – income that falls within exemption?
- Miscellaneous income generally taxable
- De minimis exemption but limited scope



Joint ventures with commercial third parties

- What's the activity? Charitable?
- Corporate JV vehicle vs contractual arrangements
- JV vehicle – company or LLP?
- LLP mitigates corporation tax risk but practical issues



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VAT

- Recent topical cases
- Brexit
- Office of Tax Simplification - VAT review



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Corporate criminal offences (CCO)

- Failure to Prevent Facilitation of Tax Evasion
- Criminal Finances Bill – wef from 1 September 2017?
- Proposed new rules – all taxes, all UK corporates
- No exemption for charitable entities
- By ‘associated persons’ – broad definition!
- Sanctions?
- Defence?