

# Tax Webinar 2020: What does COVID-19 mean for tax?

We have created a checklist of the key tax risks and planning opportunities to help strengthen your current tax strategy and thinking. You can use this document as a guide to help you understand key COVID-19 related tax considerations that have arisen within five areas.

	Responsibility	Deadline	Priority
<b>People</b>			
<ul style="list-style-type: none"> <li>Consider impact of reduced hours/salary/furlough on employee benefit entitlements and update providers accordingly</li> </ul>			
<ul style="list-style-type: none"> <li>Coronavirus Job Retention Scheme</li> </ul>			
<ul style="list-style-type: none"> <li>Employee residency (Statutory Residency Test)</li> </ul>			
<ul style="list-style-type: none"> <li>Social security liabilities for employees working in new countries</li> </ul>			
<ul style="list-style-type: none"> <li>Employee eligibility for double tax relief</li> </ul>			
<ul style="list-style-type: none"> <li>IR35 - employment status of their contractors and possible additional PAYE withholding requirements</li> </ul>			
<ul style="list-style-type: none"> <li>Employer contributions to homeworking expenses</li> </ul>			
<ul style="list-style-type: none"> <li>Furloughed staff/reduced salaries notification to benefits providers</li> </ul>			
<ul style="list-style-type: none"> <li>Communication of additional benefits features to employees</li> </ul>			
<ul style="list-style-type: none"> <li>Assessment of whether benefits costs review would be useful at present</li> </ul>			
<ul style="list-style-type: none"> <li>Talent and retention (e.g. Apprenticeship levy)</li> </ul>			
<b>Cash tax management</b>			
<ul style="list-style-type: none"> <li>QIPs position – reclaim overpayments, revise forecasts etc</li> </ul>			
<ul style="list-style-type: none"> <li>Loss utilisation and reliefs (including carry back claims and group relief of losses to other group companies)</li> </ul>			

	Responsibility	Deadline	Priority
• Time To Pay arrangements			
• Deferral of VAT liabilities			
• VAT planning opportunities e.g. accelerate recovery of VAT, adopt correct tax point and correct rates			
• Claims and elections – R&D tax reliefs, capital allowances (structures and buildings allowances etc)			

## Corporate and tax governance

• Group restructuring/reorganisation			
• Tax risk management <ul style="list-style-type: none"> <li>o Corporate Criminal Offence</li> <li>o Senior Accounting Officer</li> <li>o Tax Strategy</li> <li>o Business Risk Review +</li> </ul>			
• Tax technology – automation of UK processes, tax team optimisation			

## Financing and treasury tax

• Maximise government funding e.g. Business Interruption Loan Scheme for large businesses and Corporate Financing Facility for larger			
• Withholding tax costs on repayment of interest			
• Tax and accounting impact of repatriation, borrowing and cash and liquidity management			
• Management of foreign exchange exposures through hedging or tax elections			
• Tax and accounting impact of derivative transactions – availability of tax elections, impact on FV movements, hedge accounting			
• Interest deductibility <ul style="list-style-type: none"> <li>o Corporate Interest Restriction – previously filed Corporate Interest Restriction returns for access to brought forward interest allowance</li> <li>o Thin capitalisation/transfer pricing</li> <li>o Late paid interest rules, unallowable purpose rules etc</li> </ul>			

	Responsibility	Deadline	Priority
<ul style="list-style-type: none"> <li>Debt restructuring/refinancing               <ul style="list-style-type: none"> <li>Accounting and tax impact of debt modification</li> <li>Intercompany debts – releases, impairments, capitalisation, offsets or transfers?</li> <li>Cash pooling</li> </ul> </li> </ul>			
<b>International tax</b>			
<ul style="list-style-type: none"> <li>Monitoring of legal and/or tax changes in key operating jurisdictions (incentives, deferrals, stimulus bills, extensions)</li> </ul>			
<ul style="list-style-type: none"> <li>Corporate residency if directors and strategic decision makers are unable to travel for a prolonged period</li> </ul>			
<ul style="list-style-type: none"> <li>Permanent Establishment (PE) risk for employees overseas not in their jurisdiction of employment</li> </ul>			
<ul style="list-style-type: none"> <li>International supply chain and people functions – any transfer pricing model changes required in the new world</li> </ul>			
<ul style="list-style-type: none"> <li>Remuneration for closed or temporarily paused operations</li> </ul>			
<ul style="list-style-type: none"> <li>Transfer pricing documentation</li> </ul>			
<ul style="list-style-type: none"> <li>Monitoring OECD Pillar 1 and Pillar 2 outcome</li> </ul>			
<ul style="list-style-type: none"> <li>Ready for Brexit</li> </ul>			
<ul style="list-style-type: none"> <li>DAC6 reporting</li> </ul>			

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