

Tax and Finance on i-law.com

Content update: August 2024

Highlights:

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Tax and Finance on i-law.com

Written by a team of tax and accounting practitioners and experts, Tax and Finance on i-law.com features practical advice and commentary on the latest case law and statutory developments. Each publication includes fully searchable access to an archive of information dating back more than two decades.

This update also includes articles from *Farm Tax Brief* and *Competition Law Insight*, for readers with an interest in private client tax planning relating to agriculture and farm partnerships, and global antitrust regulation and practice.

Available now in *World Accounting Report*



Revising the IFRS provisions for ... provisions IASB discusses possible updates to IAS 37

The IASB is considering updating IAS 37, *Provisions, Contingent Assets and Contingent Liabilities*, to align the standard with the 2018 update to the Conceptual Framework. The challenge for the board will be to avoid changing current practices in what always has been and continues to be a sensitive area.

www.i-law.com/ilaw/doc/view.htm?id=440108

IASB project update

Intangible assets

Reform of accounting for intangible assets is one of the biggest challenges that faces the IASB. It decided to take on this project in the face of increasing criticism that financial statements are losing their relevance as they do not capture the value of some key factors driving business success, including human capital, reputation, big data, business processes and research capability.

www.i-law.com/ilaw/doc/view.htm?id=440107

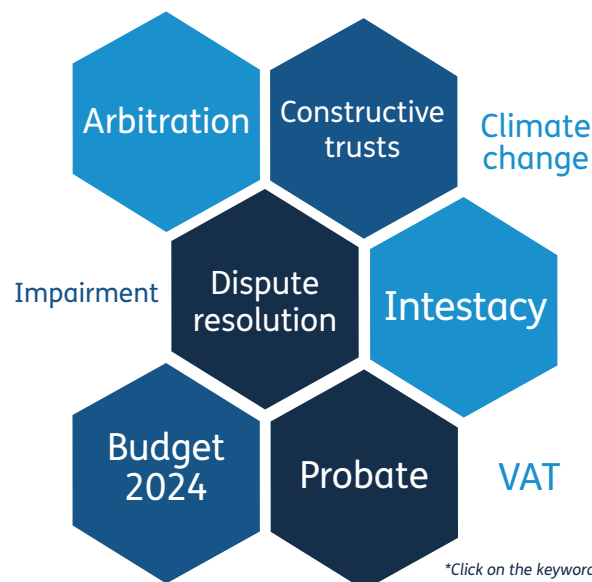
News and analysis

Are climate risk and decarbonisation really “not material” to most financial statements?

A recent briefing by the Corporate Reporting Users Forum has called for better communication of how climate risk and the energy transition are considered in financial statements and audit reports, and an increased focus on this by the relevant regulators to enforce requirements.

www.i-law.com/ilaw/doc/view.htm?id=440110

Key topics so far in 2024



*Click on the keywords to view some tax content highlights

World Accounting Report on i-law.com

3,763 articles
243 PDF issues
21 years of archive content

Figures accurate at 7 August 2024

Also on i-law.com

Financial Crime on i-law.com is a collection of monthly news services, law reports and books, available online and in print, which may be of note to readers with an interest in the wider regulation of the financial industry.

Financial Crime on i-law.com

Written by experts in financial crime and compliance, *Financial Crime on i-law.com* contains an unrivalled collection of news, analysis and international and English law case reports – a must-read for legal practitioners, money laundering reporting officers and compliance officers.

Financial Crime on i-law.com features our industry-leading titles, including *Lloyd's Law Reports: Financial Crime*, *Compliance Monitor*, *Fraud Intelligence* and *Money Laundering Bulletin*.

Recently published

Competition Law Insight

Full of beans

A coffee cartel is the first concerted practice case in Serbia

At the end of 2023, the Serbian competition authority concluded its investigation into collusion in the form of concerted practice on the coffee market in Serbia. This landmark case, initiated in September 2021, represents the most complex matter the Serbian competition authority has processed.

www.competitionlawinsight.com/competition-issues/full-of-beans-156803.htm

In for the long haul

EU courts continue to validate the Commission's enforcement practice with the Trucks cartel ruling

The European Commission has been preparing to use its recently acquired enforcement powers to ensure fair and workable markets. With a focus on complex and rapidly evolving markets, it is expected to embark on unprecedented paths of enforcement. Its established practice has gained the trust of the EU courts, with the *Scania* judgment being the latest to validate the Commission's work in the area of cartel enforcement.

www.competitionlawinsight.com/competition-issues/in-for-the-long-haul-157067.htm

Balancing innovation and regulation

Evaluation of the CMA's reports on AI foundation models and their impact on competition and consumer protection

The development of AI and the growing use of machine learning in recent years has attracted considerable attention. Extremely large models trained on vast internet-scale datasets have achieved top-tier performance across diverse tasks, leading to a significant shift in modern machine-learning training methods.

www.competitionlawinsight.com/regulatory/balancing-innovation-and-regulation-157068.htm

Farm Tax Brief

The professional valuation of chattels and farm junk

There is some debate amongst professionals as to the need for a professional valuation of chattels and in farming this can include items that might be considered "farm junk". These are valuable, non-trading items found in barns and farm outbuildings that are no longer used in the trade.

www.farmtaxbrief.com/revenue/the-professional-valuation-of-chattels-and-farm-junk-157077.htm

Health and safety obligations and succession planning

Farm employers must ensure that every equipment operative, whether employed or a family member, is trained to operate that equipment. Where there is a statutory obligation to have a specific qualification for using certain equipment – for example, for the telehandler operation – that "ticket" must be in place.

www.farmtaxbrief.com/probate-and-succession/health-and-safety-obligations-and-succession-planning-157079.htm

Zero-rated food production and the impact on diversification

VAT plays a very important part in overall farm tax planning. Farmers produce food and generally that is zero-rated for VAT. However, as farm diversification increases there are more products that move away from the production of food for human consumption so farm VAT planning becomes more complicated.

www.farmtaxbrief.com/disputes/zero-rated-food-production-and-the-impact-on-farm-diversification-157076.htm



Trusts and Estates

Taxation of foreign domiciliaries from April 2025

Reforming the current regime – risks and proposals

It will be well known by most readers that it has been a key plank of Labour's electoral campaign to abolish the link between domicile and UK taxation. The specifics have never been made public and, at the time of writing, we await their manifesto to see whether it contains any further detail. In some ways, such a reform makes sense.

www.i-law.com/ilaw/doc/view.htm?id=439716

Deathbed gifts of register land (donation mortis causa)

Rahmen v Hassan and Others [2024] EWHC 1290 (Ch)

As private client practitioners we are familiar with people attempting to redirect their property towards the end of their lives. Although contemplating impending death seems to focus the mind, claims founded on deathbed gifts remain rare. This may be because people (beyond private client practitioners) are unfamiliar with the doctrine.

www.i-law.com/ilaw/doc/view.htm?id=439715

Foreign lasting powers

Recognition of international extra-judicial processes in England and Wales

It is increasingly common for people to live lives that are more and more international, not only with assets of significance across multiple jurisdictions but also their residence(s) split similarly. This applies to high-net-worth individuals with portfolios of investments and homes in several countries down to those with a holiday apartment abroad together with a modest current account to service related expenditure.

www.i-law.com/ilaw/doc/view.htm?id=439371

"Disposing" of an equitable interest and section 53(1)(c)

LA Micro Group (UK) Ltd and Another v LA Micro Group Inc and Others [2023] EWCA Civ 214

This a recent case considering the operation of the formality requirements under section 53(1)(c) of the Law of Property Act 1925. Section 53(1)(c) provides that if a beneficiary of a trust wishes to dispose of their interest then that "disposal" must be done in writing.

www.i-law.com/ilaw/doc/view.htm?id=439372

World Accounting Report

Review of IFRS 15

IASB continues analysis on revenue from contracts with customers standard

IFRS 15 was developed as a joint project between the IASB and the FASB as a result of which its requirements are almost fully converged with those in US standards.

In their responses to the IASB's Request for Information about the performance of the standard, stakeholders found this one of the key benefits and did not want to see the board amending the standard in a way that would make it more different from the US standard, Topic 606, *Revenue Recognition*.

www.i-law.com/ilaw/doc/view.htm?id=439655

News and analysis

IASB discusses climate-related uncertainties

The IASB is considering to what extent its standards already address all matters related to the reporting of climate-related risks and other uncertainties in financial statements – notably, whether the IASB could take any action to improve companies' reporting about these matters in the financial statements.

www.i-law.com/ilaw/doc/view.htm?id=439656



Coming soon

The following articles will be available soon.

Competition Law Insight

Back with a vengeance

Lessons learnt from recent investigations, and the rise of novel cartels

Dawn raids are on the increase, homes are being raided, companies have fallen out of love with leniency regimes, and cartels are no longer what we used to think they were – anything can be a cartel now. Maybe not quite, but UK competition law is undoubtedly continuing along a path of change.

Not on the money

Competition concerns in MiCAR

The introduction of the Markets in Crypto-Assets Regulation by the EU aims to create a comprehensive regulatory framework for cryptoassets, including e-money tokens. However, it has raised significant antitrust concerns, primarily how it unfairly favours banks over other market participants.

Updating the UK's national security and investment regime

Encouraging foreign finance while protecting against risk

The UK regime is more expansive than most as it is nationality agnostic so applies to UK investors in the same way as it applies to foreign investors. It also catches a broad range of transaction types, including asset deals, IP licensing, internal restructurings and potentially deals across the whole economy.

www.competitionlawinsight.com

Trusts and Estates

Equitable fraud?

The receipt-based constructive trust

Claims to a beneficial interest in property which is held in the sole name of the defendant are often brought on the basis of a common intention constructive trust. However, it is a strict requirement of such claims that the claimant not only be able to show a common intention that ownership should be shared, but also that he or she relied on that common intention to their detriment.

Haque v Hussain [2024] EWCA Civ 806

Breaking up is never easy

In *Haque v Hussain* [2024] EWCA Civ 806, various properties in London were held on trust for an organisation called Muttahida Quami Movement. After a bout of internecine conflict, a second organisation, Muttahida Quami Movement Pakistan, emerged under the control of others and with a different membership.

Rome, primroses and etymological chameleons

When is art plant?

Turner's "Rome, From Mount Aventine" ("the Painting") was completed in 1835, following the artist's trip to Rome in 1828. The Painting was acquired by Harry Primrose by way of a deed of appointment from the will trusts of Prime Minister Lord Roseberry (1847–1929). At the time of the acquisition, it was already on loan to the National Galleries for Scotland in Edinburgh.

www.trusts-estates.co.uk

Tax and Finance on i-law.com

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Lloyd's List Intelligence 

Meet the editors

Julie Butler FCA, *Farm Tax Brief*

Julie took on the editorship of our agricultural tax-planning title in 2017 but has been a contributor for a much longer time, working with her successor Richard Williams on numerous occasions and writing articles on a broad range of subjects including revenue matters related to equine livery businesses, woodland management and farming partnerships.



Julie qualified as a chartered accountant in 1980 and founded Butler & Co Chartered Accountants in 1986 from her farmhouse. She then set up the firm's Alresford office in 1992. She originally trained in audit and accounts before moving over to farm tax and accounts.

Julie lectures regularly on agricultural and equine tax matters and writes articles for the trade and national press, as well as being a longstanding author on key reference texts in this area. A small selection of her articles (including some from the FTB archives) is included below.

Active husbandry and involvement for Inheritance Tax

The farming industry has experienced considerable changes in the last decade. Agricultural land values have doubled, development land values have collapsed (and started to recover) and corn prices have been at an all-time high. There are huge opportunities to diversify for a commercial advantage.

www.farmtaxbrief.com/revenue/inheritance-tax/active-husbandry-and-involvement-for-inheritance-tax-40527.htm

Company could not distribute goodwill it did not own

A lot of farm diversification can be "legacy" opportunities to boost the profit and the standing of the farm operation. But some farmers see themselves as starting an operation that can be sold on.

www.farmtaxbrief.com/disputes/from-the-tribunals-156807.htm

When is a horse like a second-hand car?

There is an opportunity for horse dealers and "pinhookers" to benefit from this scheme and help the profitability of struggling equine businesses. It is essential for all equine businesses to confirm the VAT position.

www.farmtaxbrief.com/revenue/capital-allowances/when-is-a-horse-like-a-second-hand-car-107344.htm

Solar panels on buildings – Improving Farm Productivity funding

From the start of this year, farmers in England who wish to install solar panels on farm buildings are able to apply for financial support under round two of the Improving Farm Productivity grant.

www.farmtaxbrief.com/revenue/article157075.ec

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