

Welcome to the latest edition of the TLT Tax Team's "Tax Matters". In this edition, we have covered recent developments across the taxes including SDLT, VAT, and capital gains tax. If you would like to discuss any item in further detail, please speak to a [key contact](#).

Case studies



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HMRC publishes latest employee share schemes statistics

HMRC has published statistics on the tax-advantaged employee share schemes for the tax year ending 6 April 2024. The four schemes included within the report are the Save as you Earn (SAYE) scheme, Share Incentive Plan, Company Share Option Plan (CSOP) and Enterprise Management Incentives (EMI).

The key findings are set out below.

- Tax relief: employees received an estimated £790 million in income tax relief and £500 million in national insurance contributions relief in the tax year ending 6 April 2024 from the tax-advantaged employee share schemes.
- Increase in CSOP grants: grants of options under the CSOP have increased significantly following the increase in the value of the shares over which options can be granted from £30,000 to £60,000 from 6 April 2023 – the value of CSOP options granted in the tax year ending 6 April 2024 increased by 52% compared to the tax year ending 2023.
- SAYE overtakes EMI by cost of relief: SAYE was the largest scheme by cost of tax relief with £490 million in the tax year ending 2024 overtaking EMI which was the largest contributor to tax relief in the tax years ending 2022 and 2023. This is likely due to greater participation in SAYE schemes during the Covid-19 pandemic and an increase in listed share prices since that time.

- Uptake increases: 20,370 companies operated tax-advantaged employee share schemes in the tax year ending 6 April 2024, an increase of 2% from the previous tax year. However, most companies operated only one scheme. The significant majority (89%) of companies operated an EMI scheme. The report suggests that this is because of the higher share value limit (£250,000) which applies to options granted under EMI compared to the other tax-advantaged share schemes.

WHY IT MATTERS

There were no major surprises in the latest statistics. As expected, EMI continues its reign as the most popular form of tax-advantaged share incentive, but the government will be pleased to see that the increase in the share value limit for CSOP options has resulted in an increase in the use of that tax-advantaged share scheme.

What is clear from the statistics is that the tax-advantaged employee share schemes remain a key tool for attracting, retaining and incentivising talent. From a tax perspective, these tax-advantaged schemes offer significant income tax and national insurance contribution savings making them a cost-effective way to reward employees.

Understanding current participation trends and uptake levels can help businesses benchmark their own incentives and ensure they are making full use of available tax-efficient structures to support workforce engagement and long-term growth.

Read HMRC's statistics and commentary [here](#).





HMRC appeals to the Supreme Court approved in key tax cases

The Supreme Court has granted permission to appeal from two recent decisions of the Court of Appeal in the cases of Orsted West of Duddon Sands (UK) Limited and Others v HMRC (Orsted) and Scottishpower (SCPL) Ltd and other companies v Revenue and Customs Commissioners (Scottishpower).

The main issue for the Court of Appeal in the Orsted case was whether the expenditure incurred by the taxpayer companies on environmental impact, technical and engineering studies in connection with the setting up of various windfarms was expenditure “on the provision of plant and machinery”. If so, capital allowances were available. The Court of Appeal disagreed with the Upper Tribunal’s decision that a strict and narrow interpretation of “on the provision of” plant should be applied, finding that for capital allowances purposes, eligible expenditure extends to costs of studies which inform the installation and design of plant. Accordingly, capital allowances were available to the taxpayer companies.

HMRC’s appeal to the Supreme Court is scheduled to be heard on 3 February 2026.

The Scottishpower case concerns payments (totalling around £28 million) (**Payments**) made by Scottishpower to certain consumers and charities settling consumer protection investigations. Since taxpayers agreed to make the Payments, the regulator, Ofgem, agreed to levy nominal penalties on Scottishpower. The four taxpayers appealed to the Court of Appeal against a decision of the Upper Tribunal that the payments were not deductible in computing its taxable profits. The key issue was whether the “von Glehn principle” (that a penalty or fine incurred under a statutory regime is not deductible in calculating trading profits, even where the expense was incurred in the course of trading activities) applied to the Payments. The Court of Appeal allowed the appeal on the basis that the Payments were not in fact penalty payments and that the von Glehn principle did not apply. A hearing date is awaited.

Read our summaries of the Court of Appeal decisions [here](#) and [here](#).

WHY IT MATTERS

The latest decision in the Scottishpower case brought welcome clarification to taxpayers. Businesses will be interested to know whether the Supreme Court will adopt the narrow scope of the von Glehn principle adopted by the Court of Appeal in the context of penalty payments and compensation/consumer redress payments. Taxpayers will be disappointed, although unsurprised, that HMRC has appealed the decision of the Court of Appeal in the Orsted case. The outcome of the appeal will have a significant financial impact on construction projects – in the meantime, businesses face another period of uncertainty.



Government launches Financial Services Growth and Competitiveness Strategy

The government believes that the financial services sector has a central role to play in delivering national renewal for the UK, being one of the largest and most productive sectors of the economy.

Therefore, on 15 July 2025 the government launched its Financial Services Growth and Competitiveness Strategy (**Strategy**) which sets out “a bold new vision for kickstarting growth in the financial services sector over the next ten years”.

The five areas of focus of the Strategy are:

- Delivering a competitive regulatory environment
- Harnessing the UK’s global leadership in financial services
- Embracing innovation and leveraging the UK’s Fintech leadership
- Building a retail investment culture and delivering prosperity through UK capital markets
- Setting the UK’s financial services sector up with the skills and talent it needs.

As part of the Strategy, the government will launch a new, dedicated concierge service to guide and support international investors looking to establish or grow a presence in the UK’s financial services sector.

The service, which will sit within the Office for Investment, will provide regulatory and wider business support, including support with visas, skills, planning and tax.

In developing the Strategy, the government consulted with numerous stakeholders on the opportunities and barriers to growth in the UK’s financial services sector and published a call for evidence in November 2024. Unsurprisingly, the Strategy notes that a significant proportion of industry respondents to the call for evidence raised the importance of tax to the growth and competitiveness of the financial services sector. Respondents made representations on a range of taxes which impact on the financial services sector, including stamp taxes on shares, bank-specific taxes, VAT treatment for fund managers and insurance premium tax.

WHY IT MATTERS

The Strategy confirms that the government recognises that the tax system has a vital role to play in supporting the government’s growth mission and that the government will “continue to keep tax regimes that affect the financial services sector under review”. Replacement of the stamp taxes on shares regime with a single tax on securities from 2027 has already been announced and reforms to other taxes impacting financial services is therefore a possibility. Businesses should monitor developments closely as future changes may impact corporate planning.

Read the Strategy [here](#).



SAYE bonus rates revised by HMRC

The Save as You Earn (or SAYE) Scheme is an all-employee HMRC tax-advantaged share option scheme.

Employees who join the scheme are granted an option to acquire shares in their employer company at a fixed price and are required to save a monthly amount (up to £500 per month) from their salary in a linked savings arrangement over a specified savings period (either three or five years). At the end of that period, the employee may use the savings to exercise their option and acquire shares in their employer company.

Participants in an SAYE Scheme are entitled to receive a tax-free bonus at the end of the specified savings period. On 8 August 2025, HMRC published new, reduced, bonus rates for SAYE Schemes which will apply to new SAYE contracts entered into on and after 22 August 2025. This means that from that date:

- for a three-year SAYE Scheme savings contract, the bonus rate will be 0.5 x one monthly savings contribution (reduced from 0.7); and
- for a five-year SAYE Scheme savings contract, the bonus rate will be 1.5 x one monthly savings contribution (reduced from 1.9).

The revised rates reflect the reduction in the Bank of England base rate published on 7 August 2025.

WHY IT MATTERS

The bonus rate applying to an SAYE Scheme impacts directly on employees – the greater the bonus, the more shares the employee can purchase. Employers inviting participants to enter into an SAYE Scheme contract from 22 August 2025 will need to be aware of the changes and ensure the reduced rates are communicated to employees in the invitation documentation. Employers should note, however, that SAYE Scheme contracts entered into before 22 August 2025 are not affected by the change.





Transformation roadmap published

On 21 July 2025, the former Exchequer Secretary to the Treasury and Chair of the HMRC Board, James Murray, set out his three priorities for HMRC and published the HMRC Transformation Roadmap, setting out HMRC's plans to achieve those objectives.

The priorities, and how HMRC intends to meet them, are as follows.

Improving day-to-day performance for individuals and businesses:

- HMRC will develop digital systems that are straightforward to use and accessible so that by 2030, HMRC will be a digital-first organisation where at least 90% of interactions with HMRC by customers and the intermediaries who act for them take place digitally
- HMRC will automate tax where possible, offer digital self-serve options and provide targeted support (i.e. adviser-led services) for those who need it
- The registration service for tax advisers will be improved and HMRC will modernise digital identity for tax advisers, modernise how tax advisers are authorised by their clients and provide secure three-way communications between HMRC, its customers and their agents.

Closing the tax gap:

- HMRC has developed a compliance strategy built around preventing non-compliance, promoting compliance and responding where compliance risks remain - HMRC will recruit and train an additional 5,500 new compliance colleagues over the next 5 years
- HMRC is investing to support customers and the intermediaries who act for them who try to get their tax right by making it as easy as possible through better digital services, simplifying tax rules and through improving education and guidance
- New digital services and analytical tools will be utilised to deter and prevent deliberate non-compliance including those who engage in criminality, evasion, and tax avoidance
- HMRC will improve the way it focuses its wider compliance work through new risk targeting capabilities to identify cases for investigation, improving case selection. This includes using AI to identify issues with the tax system, enabling HMRC to rapidly act to prevent them
- By the end of 2030, HMRC plans to deliver a simple, standardised, and secure registration process to verify a customer's, or their representative's, identity and authenticating them for future interactions, only authorising access to services where there is a legitimate need
- The government is making legislative changes to crack down on tax avoidance and prevent non-compliance.

Driving reform and modernisation of the UK's tax and customs system:

- HMRC is modernising its IT estate, using fewer, more efficient and cost-effective platforms
- Steps (as outlined above) will be taken to modernise how customers interact with HMRC
- HMRC will work with businesses and representative organisations to go further and faster in identifying ways to simplify tax and customs administration
- HMRC will make greater use of data sharing across the public sector and, with the appropriate safeguards and controls, the private sector and international partners.

WHY IT MATTERS

The Transformation Roadmap outlines a framework for HMRC to navigate digital and operational change over the next five years. If HMRC can successfully deliver on the proposed changes, this will have a significant and positive impact for businesses – leading to a reduction in tax risk and improved tax compliance. Businesses will need to be prepared for each stage of HMRC's digital transformation to ensure compliance, avoid penalties and benefit from the reduction in administration that the transformation should bring.

Read the Transformation Roadmap [here](#).

Property undergoing repair work was “suitable for use as a dwelling”: *Amarjeet Mudan and another v HMRC*

LEGAL ISSUE

The issue on this appeal from the Upper Tribunal (UT) was whether a property purchased by the taxpayers was residential property for Stamp Duty Land Tax (SDLT) purposes. The rates of SDLT are higher for purchases of entirely residential property than for purchases of mixed use or solely non-residential property. In order for a property to qualify as “residential property” it must be “suitable for use” as a dwelling. On the facts of the case, the difference between the two rates was approximately £100,000.

CASE DETAIL

The property was a large, detached house in a residential street which had relatively recently been used as a dwelling. The First Tier Tribunal found that although the property was structurally sound, it was not in a state such that a reasonable buyer would consider the property “ready to move into”. The following works were identified as being required:

- the property would need complete rewiring;
- a new boiler, pumps and gas and water pipes would be required in the boiler house;
- leaking pipes in the cellar would need to be repaired or replaced;
- the kitchen units and appliances would need to be stripped back to the bare walls and replaced;
- broken windows and doors (including locks) would need repairing and the property made secure; and
- a lot of rubbish (inside and outside the house) would need clearing away.

The UT considered that the question for determination was whether the works of repair and renovation needed to the building had the result that the building did not have the characteristics of a dwelling at the effective date, so that it was no longer residential property. The UT (upholding the decision of the First Tier Tribunal) determined that the property was “suitable for use” as a dwelling and was therefore residential for SDLT purposes.

CASE OUTCOME

The Court of Appeal upheld the decision of the UT, dismissing the taxpayers’ appeal and endorsing the seven-point test for determining suitability which includes considering previous use as a dwelling, assessing fundamental characteristics, identifying necessary works, determining if defects are capable of remedy, considering safety issues and whether works would deprive the building of its characteristics as a dwelling.

WHY IT MATTERS?

This decision provides certainty that a property requiring substantial renovation works will generally remain classified as residential property for SDLT purposes as long as it retains its fundamental characteristics of a dwelling. HMRC has updated its guidance in the Stamp Duty Land Tax Manual ([here](#)) to reflect the Court of Appeal’s decision.

Read the judgment [here](#).

CGT degrouping charge on the disposal of goodwill: *Currys Retail Limited v The Commissioners for HMRC*

LEGAL ISSUE

The key issue in this case was whether the taxpayer company leaving the capital gains tax group of which it was a member gave rise to a degrouping charge under section 179 of the Taxation of Chargeable Gains Act 1992 (**Section 179**) in respect of the goodwill in four businesses that it had acquired intra-group within the six years before it left the group.

CASE DETAIL

Over a three-year period from 2004 to 2007, the taxpayer company, formerly called The Carphone Warehouse Limited (**CPW**), acquired the business and assets, including goodwill, of four businesses (the **Businesses**) owned by four companies in the same capital gains group as CPW. The transfer of the goodwill did not give rise to any tax charge.

On 25 June 2008, CPW and a third party, Best Buy UK CP Limited (**BBUK**), which at the time were unrelated parties, entered into a sale and purchase agreement (**SPA**) and a management services agreement (**MSA**). Under the SPA, CPW sold the goodwill and the right to carry on the Businesses to BBUK for a consideration of £50,800,000 of which £50,799,000 was apportioned to the goodwill. The MSA provided for CPW to operate and manage the Businesses on BBUK's behalf in return for a management charge equal to 95% of the revenues of the Businesses.

On 30 June 2008, CPW ceased to be a member of the capital gains group. The degrouping involved two steps: on 20 June 2008, 100% of the share capital in CPW was transferred to a newly incorporated company, and on 30 June 2008, 50% of the issued share capital of CPW was sold to Best Buy Distributions Limited on the formation of a joint venture.

HMRC determined that a degrouping charge arose on the goodwill attached to the Businesses on the formation of the joint venture. CPW appealed to the First Tier Tribunal (FTT).

CASE OUTCOME

In determining whether CPW held the goodwill when it left the capital gains group, the FTT found that whilst the legal rights and obligations were of great significance they needed to be considered in the round and in the light of all the surrounding facts.

The FTT determined that the sale of the goodwill by CPW could only have been valid if it was accompanied by a transfer of the Businesses to which it related. On a realistic view of the facts, the Businesses were not transferred to BBUK and after the SPA and MSA were entered into, CPW continued to carry on the Businesses as principal. This was on the basis that:

- there was no provision in either the SPA or the MSA for the transfer to BBUK of any of the assets, or employees, of the Businesses apart from the goodwill; and

- the two fundamental features of carrying on a business as principal, being: (i) the ability to dictate the overall strategy and direction of the business and to conduct its day-to-day activities; and (ii) entitlement to the profits, were enjoyed by CPW, not BBUK.

The appeal failed, with the FTT finding that CPW continued to remain the owner, in law and in equity, of the goodwill at the time when it left the capital gains group. This gave rise to a degrouping charge under Section 179.

WHY IT MATTERS?

Although degrouping charges for intangible assets now fall within a different regime, the principles are very similar to the Section 179 charge. The case confirms that determining whether a degrouping charge applies requires taking a realistic view of all surrounding facts, not just the legal rights and obligations created by formal agreements. This means that where the facts show that the control and profit entitlement of a business remains with the original owner, no transfer will have occurred irrespective of the terms of the sale agreement.

Read the judgment [here](#).

Supply of business and support services was a single taxable supply: *JP Morgan Chase Bank NA v The Commissioners for HMRC*

LEGAL ISSUE

In this case, the taxpayer, JP Morgan Chase Bank NA (**CBNA**) provided infrastructure and support services to JP Morgan Securities PLC (**SPLC**), a member of the JP Morgan global corporate group, via an intra-group agreement.

The Upper Tribunal (**UT**) had to decide if CBNA made a single taxable supply of support function services to SPLC or separate supplies.

CASE DETAIL

CBNA and SPLC are members of the same VAT group. However, because CBNA bought in services from overseas to enable it to make the intra-group supplies to SPLC, it was necessary to determine to what extent the supplies were taxable.

CBNA's primary case was that it provided seven separate supplies of business delivery services in respect of the seven different business areas within the markets segment of SPLC and that each supply of business delivery services fell within the VAT securities exemption.

The services were provided under the terms of a Global Master Services Agreement (**GMSA**) (which came into effect in 2006 but was subsequently revised and amended).

The FTT determined that CBNA made a single taxable supply of "support function services" because:

- the pre-2019 GMSA provided undifferentiated support services and although the services were described as Business Delivery Services and Support Services in the 2019 GMSA, there was no change in the nature or number of the services provided
- the supplies were closely linked – it wasn't possible for SPLC to trade using the Business Delivery Services (which were necessary for SPLC to carry out trades) and not the Support Services (which were essential functions necessary for SPLC to undertake its business)
- any attempt to split the different services would be artificial - the different elements of the supply were not available separately since that would undermine the aim of standardisation across the JPMorgan group.

CASE OUTCOME

The UT dismissed CBNA's appeal, and upheld the FTT's conclusion that "taking the contractual documents as a whole" it was clear that CBNA made "a single supply to SPLC of everything that it needs to enable it to achieve its aim of regulatory compliant trading in globalised markets."

The UT agreed with the FTT's conclusion that the single supply of services was a taxable supply. For a service to be exempt, it must effect a change in the legal and financial relationship between parties to a transaction in securities. CBNA's role in providing pricing tools, models, risk parameters, facilitating settlement, and managing derivatives lifecycles, while operationally significant, did not meet the legal test for exemption.

WHY IT MATTERS?

This case highlights the importance for businesses of identifying at the outset whether supplies are single or multiple for VAT purposes. It confirms that HMRC and the courts will closely examine integrated services where supplies may have been split to gain a VAT advantage.

Read the judgment [here](#).

HMRC requires share plan reporting for tax-exempt short-term business visitors

HMRC has published updated guidance in its Employment Related Securities Manual ([here](#)) relating to the scope of the annual share scheme reporting obligations. Broadly, those obligations require a company to make a report to HMRC of certain “reportable events” relating to employment-related securities or securities options held by its employees.

The updated guidance relates to non-UK individuals who are short term business visitors (eg individuals who come to work in the UK for a UK company – the “host employer”) and subject to a short term business visitor arrangement with HMRC (commonly referred to as an Appendix 4 agreement). The purpose of the agreement is to remove the UK host employer’s PAYE withholding obligation in relation to remuneration paid to the individual by their non-UK employer in circumstances where the employee would be able to make a claim for double tax relief under a double tax treaty with the UK (such that no UK income tax would be due on their remuneration).

HMRC has confirmed in the updated guidance that the host employer’s annual share scheme reporting obligations are not mitigated or waived in circumstances where an individual is subject to an Appendix 4 agreement. This means that the UK host employer will be required to report any “reportable events” in relation to employment-related securities or options held by that individual, notwithstanding that they are non-UK resident and that an Appendix 4 agreement applies.



WHY IT MATTERS?

The clarification to HMRC’s guidance means that businesses with employees subject to Appendix 4 agreements may need to consider whether those individuals should be included within their annual share scheme reporting. This will place an additional administrative burden on those businesses which will need to determine whether the UK employer is a “host employer” for share plan reporting purposes, which individuals are subject to an Appendix 4 agreement and what reportable events relating to employment related securities and options held by those individuals will need to be reported.

Finance Bill 2026 draft legislation published

On 21 July 2025, the government published draft legislation for the Finance Bill 2026 for consultation. Key measures affecting businesses are discussed below.

Impact of PISCES on existing share options

As discussed in the June edition of Tax Matters ([here](#)), employees holding shares in a company which is admitted to a Private Intermittent Securities and Capital Exchange System (**PISCES**) platform may (subject to any restrictions on the sale of shares in the company's constitutional documents or any other document setting out the terms of the share award) be permitted to trade some, or all, of their shares during a PISCES trading window.

Earlier this year, HMRC issued a technical note providing guidance on the tax implications for companies and employees in relation to employees trading their shares on a PISCES platform. In that note, HMRC confirmed that the government would legislate to address how PISCES would impact on existing Enterprise Management Incentive (**EMI**) and Company Share Option Plan (**CSOP**) option contracts.

The draft Finance Bill 2026 provides that the terms of an EMI or CSOP option granted on or before the date of enactment of the Finance Bill 2026, may be varied (at any time on or after 15 May 2025) to permit the option to be exercised in the event that the option shares become PISCES shares, provided that the shares acquired as a result of the exercise are then immediately sold on a PISCES platform. The draft legislation requires the variation to be in the form of a written agreement or otherwise notified to the option holder.

Varying the terms of an EMI or CSOP option in accordance with the legislation will ensure that the associated tax advantages will be retained.



WHY IT MATTERS?

Providing liquidity to employees holding share awards in private companies is often challenging and can limit the effectiveness of a share award as an employee incentive. Since EMI and CSOP options are both popular forms of share option plan it is good news for companies operating those plans that they can choose to allow holders of existing EMI and CSOP options to participate in a future PISCES trading event.

Reform of the tax treatment of carried interest

The government announced its plans to reform the tax treatment of carried interest at the Autumn Budget 2024 and the draft Finance Bill legislation introduces that revised tax regime.

The new regime, which will sit within the income tax framework, will have effect on and after 6 April 2026.

The revised regime will apply where an individual performs investment management services directly or indirectly in respect of an investment scheme under any arrangements and carried interest arises to the individual under those arrangements. In summary, the carried interest will be treated as trading profits and subject to income tax (up to 45%) and Class 4 national insurance contributions.

Where the carried interest is categorised as “qualifying”, the amount to be treated as trading profits will be reduced to 72.5% of the “qualifying profits” (being the amount of qualifying carried interest less any applicable permitted deductions). This means that an additional rate taxpayer will pay income tax and NICs on the carried interest at an effective tax rate of just over 34%.

The new regime will apply to UK residents and non-UK residents who have UK workdays (although these individuals should only be subject to income tax in the UK in respect of the carried interest attributable to their UK workdays).

WHY IT MATTERS?

The replacement of the existing capital gains tax regime for taxing carried interest is a significant change to the traditional incentivisation structure for investment professionals – businesses may wish to look at alternative incentives to replace, or sit alongside, carried interest. Businesses whose fund managers receive carried interest will need to understand the new regime – the length of the fund investment holding periods will need to be monitored to determine what carried interest is “qualifying” and if non-UK resident managers work both in and outside the UK, businesses will need to consider what (if any) processes to implement to track UK and non-UK workdays for internationally mobile managers.

Tackling non-compliance in the umbrella company market

At the Autumn Budget 2024 the government announced that legislation would be introduced in a future Finance Bill to make agencies responsible for accounting for PAYE on payments made to workers that are supplied using umbrella companies.

Umbrella companies are employment intermediaries that employ workers on behalf of agencies and end clients and have long been in the spotlight as a structure for tax non-compliance and a contributor to the tax gap.

The government believes that making those who can control labour supply chains legally responsible for ensuring that PAYE is properly accounted for will improve compliance in the market. As such, it is no surprise that the government has followed through with the publication of draft legislation making each “relevant party”, along with the umbrella company, jointly and severally liable to pay any amount payable under PAYE by the umbrella company. Where there is a contract between an umbrella company, agency and the client, both the agency and the client will be “relevant parties” and therefore liable for the umbrella company’s unpaid PAYE.

This measure will have effect from 6 April 2026.



WHY IT MATTERS?

Before the new measure takes effect, businesses should review their supply chains to identify any workers engaged via umbrella companies—whether directly or through agencies. They should assess the risks of continuing these arrangements and consider updating their engagement policies, which may include ending certain relationships. Going forward, due diligence on new engagements will be essential, and all internal recruitment teams must be aware of the risks associated with umbrella companies in the supply chain.

Tax adviser registration requirements

The draft Finance Bill 2026 introduces a new requirement for tax advisers to register with HMRC and meet minimum standards.

A “tax adviser” is broadly drafted to encompass any person who, in the course of a business, assists other persons with their tax affairs – this includes advising another person in relation to tax, acting as an agent on behalf of another person in relation to tax and providing assistance with any document that is likely to be relied on by HMRC to determine the other person’s tax position.

It will be necessary for a “tax adviser” to register with HMRC if they wish to interact with HMRC in relation to the tax affairs of a client (unless one of a limited number of exceptions apply). Failure to register will mean that the tax adviser is unable to contact HMRC by telephone, post or email on behalf of a client, file a return or claim with HMRC on behalf of a client or send a message to HMRC through a website or internal portal on behalf of a client. Where an individual works for an organisation and interacts with HMRC in the course of a business carried on by that organisation, it is expected that the individual will not be required to register with HMRC, and the obligation to register will lie with the organisation.

Certain eligibility conditions will need to be satisfied for a “tax adviser” to register with HMRC. Broadly, these require the tax adviser and each senior manager to:

- be tax compliant (including overseas tax where the tax adviser is established outside the UK); and
- meet any published HMRC standards expected of tax advisers in their dealings with HMRC.

Mandatory registration starts on 1 April 2026, with at least a three-month transition period.

WHY IT MATTERS?

From 1 April 2026, tax advisers who fail to register with HMRC - or who do not meet the registration criteria - will be unable to deal with HMRC on behalf of their clients. Businesses that rely on advisers for HMRC interactions should seek confirmation that their advisers both meet the eligibility requirements and will register on or shortly after that date.



Stamp taxes exemption for shares traded on a PISCES platform: new guidance issued

As mentioned in the June edition of Tax Matters ([here](#)), the Private Intermittent Securities and Capital Exchange System (PISCES) sandbox is a new regulatory framework which will enable private company shareholders to trade their shares on a regulated platform without the company having to transition to a public company.

Companies approved to utilise a PISCES platform will be able to trade their shares on an intermittent basis during periodic trading windows.

The PISCES sandbox opened on 10 June 2025, and the Financial Conduct Authority approved the London Stock Exchange as the first PISCES platform operator on 26 August.

Ahead of the initial trades, which are expected to take place later this year, HMRC has issued guidance in its Stamp Taxes manual ([here](#)) on a new stamp duty and SDRT exemption for transfer of PISCES shares in connection with “trading activity” that takes place on a PISCES platform under the PISCES sandbox arrangements. For these purposes, HMRC interpret “trading activity” as referring to the placing of buy and sell orders on a PISCES platform.

The guidance is clear that the exemption, which applies from 3 July 2025, will apply to:

- shares acquired on a PISCES platform for investment purposes; and
- transfers of shares which do not take place directly through trading on a PISCES platform but which are still connected to a PISCES trading activity because they are intermediate transfers/settlement legs in the buyer or seller chains enabling the shares to be transferred from the seller to the buyer.



Information on claiming the exemption in relation to PISCES shares settled electronically though the CREST system has not, yet, been issued. However, the guidance confirms that this information will be provided before the first PISCES trading event.

Where shares are transferred by an instrument of transfer (for example, a stock transfer form) and the exemption applies, no stamp duty will be payable and there is no requirement for the instrument to be presented to HMRC or for the instrument to be adjudicated by HMRC as not chargeable.

WHY IT MATTERS?

The stamp duty and SDRT exemption removes a key cost and administrative burden associated with trading private company shares, making the PISCES sandbox more commercially attractive to facilitate intermittent trading without transitioning to public company status.

A woman with dark hair and glasses is shown in profile, looking at a laptop screen. The screen displays a bar chart with several bars of varying heights. She is wearing a grey knitted sweater. In the foreground, there are some papers and a calculator on a desk. The background is slightly blurred, showing a desk lamp and other office equipment.

Looking ahead

Key tax developments to look out for over the next quarter

7th October 2025

- Upper Tribunal expected to hear the appeal in the case of BTR Core Fund JPUT v HMRC concerning the availability of SDLT overpayment relief

31st October 2025

- Deadline for paper filing of self assessment tax returns for the tax year 2024/25

25 November 2025

- Court of Appeal expected to hear the appeal in the case of The Tower One St George Wharf Ltd v HMRC in relation to the application of SDLT group relief
- Upper Tribunal expected to hear the appeal in the case of UK Care No 1 Ltd v HMRC relating to the loan relationship rules

26 November 2025

- Chancellor to present the Autumn Budget 2025 to Parliament
- 
- A decorative graphic element in the bottom right corner of the page, consisting of two overlapping curved shapes. The top shape is dark blue and the bottom shape is a lighter shade of blue.

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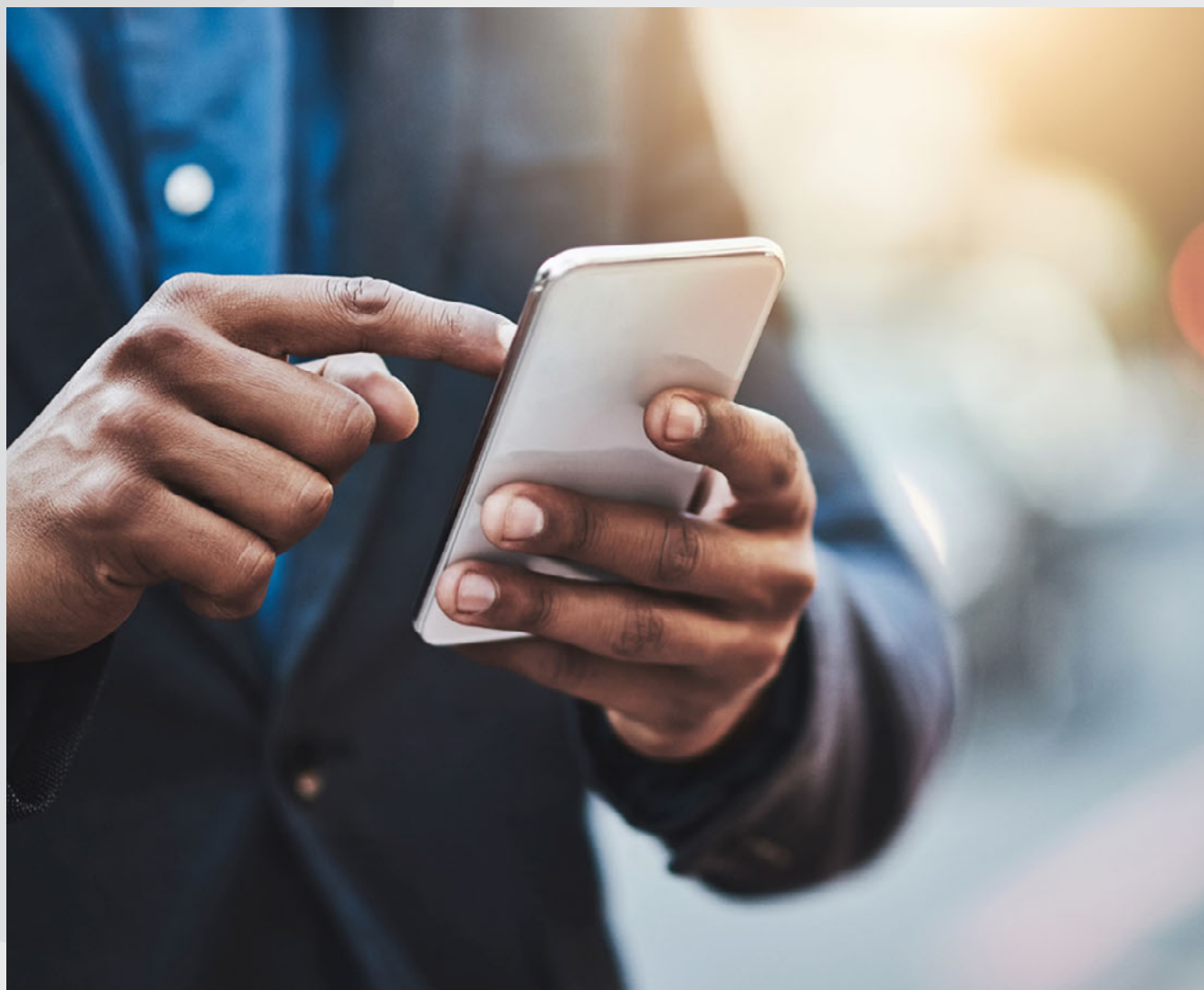


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