



# Autumn Budget 2021

**KPMG in the Crown Dependencies**

Tuesday 2 November 2021

9.00am to 10.00am





# Business Beats Cancer Guernsey Launch



**KPMG**

Business  
Beats  
Cancer  
Guernsey

**Launch Event**

10 November 2021 | 5.30pm

**You are cordially invited for drinks & canapés for the launch of 'Business Beats Cancer Guernsey', sponsored by KPMG in the Crown Dependencies**

A group of C-level execs from Guernsey businesses (myself, Ben Morgan, Ian Kirk, Rob Jones and Simon Walker), all of whom have personal reason to support this cause, are joining forces to raise funds for cancer research to benefit the lives of Guernsey patients in the future.

I would like you to join us to hear from this group and **Dr Nicola Brink** on the position regarding clinical research in Guernsey and how the business community can help. More will be explained on the night but please, if you cannot attend, would you ask a member of your board of directors to join us.



**Neale Jehan**  
KIG Senior Partner & CEO  
KPMG in the Crown Dependencies  
[njehan@kpmg.com](mailto:njehan@kpmg.com)



## Business Beats Cancer Guernsey Launch Event

**Wednesday 10 November 2021**

5.30pm – 7.00pm

**KPMG offices**  
**2<sup>nd</sup> Floor Glatigny Court**  
**Glatigny Esplanade**  
**St Peter Port, GY1 1WR**

**Please RSVP to Neale Jehan**  
E: [njehan@kpmg.com](mailto:njehan@kpmg.com) T: 721000



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**KPMG**



# Today's agenda

## On the agenda

- 01 Welcome and Introduction to the Budget
- 02 Business Taxes & UK Competitiveness
- 03 Personal & Employment Taxes
- 04 Property measures
- 05 G20 / OECD agreement on international tax and Guernsey tax regime
- 06 Q&A
- 07 Closing Remarks

## With you today



**Neale Jehan**  
KIG Senior Partner & CEO  
KPMG in the Crown Dependencies  
[njehan@kpmg.com](mailto:njehan@kpmg.com)



**Tony Mancini**  
Tax Partner  
KPMG in the Crown Dependencies  
[amancini@kpmg.com](mailto:amancini@kpmg.com)



**Paul Beale**  
Tax Director  
KPMG in the Crown Dependencies  
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# Business Taxes & UK Competitiveness

Tony Mancini | Tax Partner



# Budget Impact for Large Corporates/ Multinationals

Rates of corporation tax across the G7



## UK competitiveness

- 01 Corporation tax rate still set to increase to 25% from **1st April 2023** for larger businesses
- 02 3% surcharge to apply for banks from **1st April 2023** (down from 8%). Total CT charge (incl. surcharge) increases from 27% to 28%
- 03 R&D tax relief reform from April 2023 to expand the scope to include data and cloud computing costs, but curtailment of claims for expenditure on overseas R&D activity
- 04 Tonnage tax reform to simplify the current regime to incentivise the UK as a headquarters location for shipping groups
- 05 Corporate re-domiciliation consultation to be launched focusing on increasing flexibility around inward re-domiciliation and to consider including an outward re-domiciliation regime
- 06 New tax framework for qualifying Asset Holding Companies to apply from **1st April 2022**

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# Budget Impact for Large Corporates/ Multinationals (cont.)

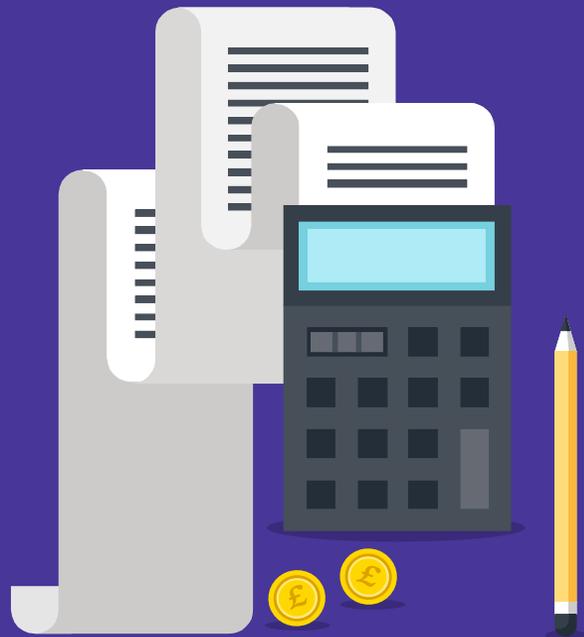


## UK competitiveness

- 01** Abolition of cross-border group relief from 27 October 2021
- 02** Uncertain tax treatment position notification requirements to apply for returns submitted from 1 April 2022
- 03** Tax Day – Various consultations expected to be announced in the coming weeks

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# Asset Holding Companies



## New regime with effect from 1<sup>st</sup> April 2022

01

Qualifying asset holding companies, must be 70% owned by diversely held funds or certain institutional investors

02

Company must carry out mainly investing activities

03

Exempts gains on disposal of certain investments and certain property related profits

04

Disapply requirement to withhold tax on interest payments

05

Treat some payments to non-doms as non-UK source

06

Exemptions from Stamp Duty and SDRT for capital repurchases

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# Corporate Redomiciliation

## Consultation Document

- Views sought on 45 questions
- Closes on 7<sup>th</sup> January 2022



01 Focus on migration into UK but considering allowing outward

02 Intended to be open to broad range of companies and bodies corporate, with UK equivalents (eg LLP)

03 No requirement for economic substance

04 Need to address complications arising from 3 UK Company Registrars

05 There will be eligibility criteria, with an application and approval process.

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# Personal & Employment Taxes

Paul Beale | Tax Director



# Health and social care levy



## Introduction of the health & social care levy

01

Pre-announced on 7 September and will apply UK-wide to those paying Class 1 and Class 4 NIC contributions

02

Applies from **April 2022** NIC for employees, the self-employed and employers will increase by 1.25%

03

Estimated to raise £15bn per annum

04

2022/23 headline rate of Employer's NIC rising to 15.05% which will add to the cost of employment

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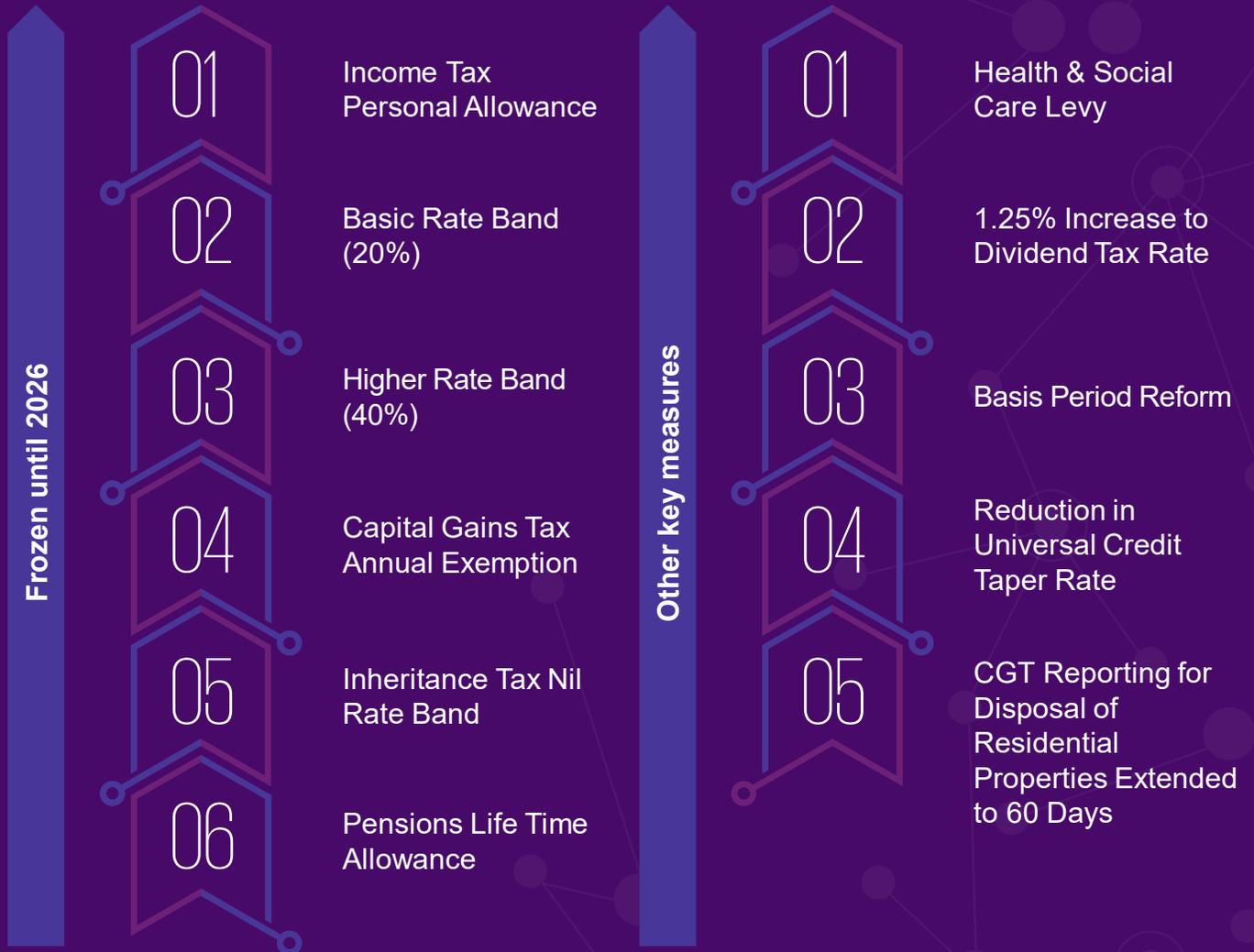
# Individuals

## What was not in the Budget?

- Reform of capital taxes
- Capital Gains Tax
- Inheritance Tax
- Wealth Tax



## The wider context



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# Property Taxation

Paul Beale | Tax Director



# Residential Property Developer Tax



## Key features and conditions

01

Aimed at property developers

02

Additional 4% tax on applicable rate

03

Applies to companies with development profits exceeding £25m

04

Must hold interest in company or in group,

05

No grandfathering provisions

06

No sunset clause

## Key exclusion

01

Must be residential property

02

Must be a developer

03

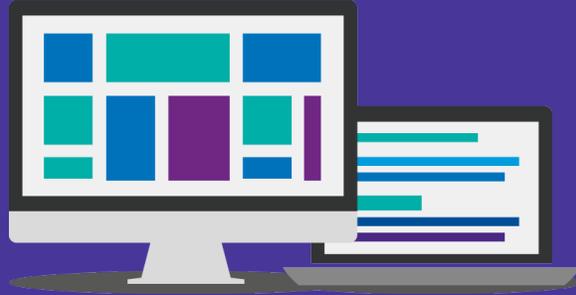
Build to rent exclusion

04

Student accommodation exclusion

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# CGT reporting



## Current Rules

01

NRCGT filing on any disposal

02

Return and payment due within 30 days

03

Requires portal registration

04

Rates determined by asset disposed

## Budget announcement

01

All disposals by non residents window up to 60 days

02

Non residential disposals remain at 30 days for UK residents

03

Rates and nature of form same

04

No impact on companies as they report under CT.

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# G20 / OECD agreement on international tax

Tony Mancini | Tax Partner

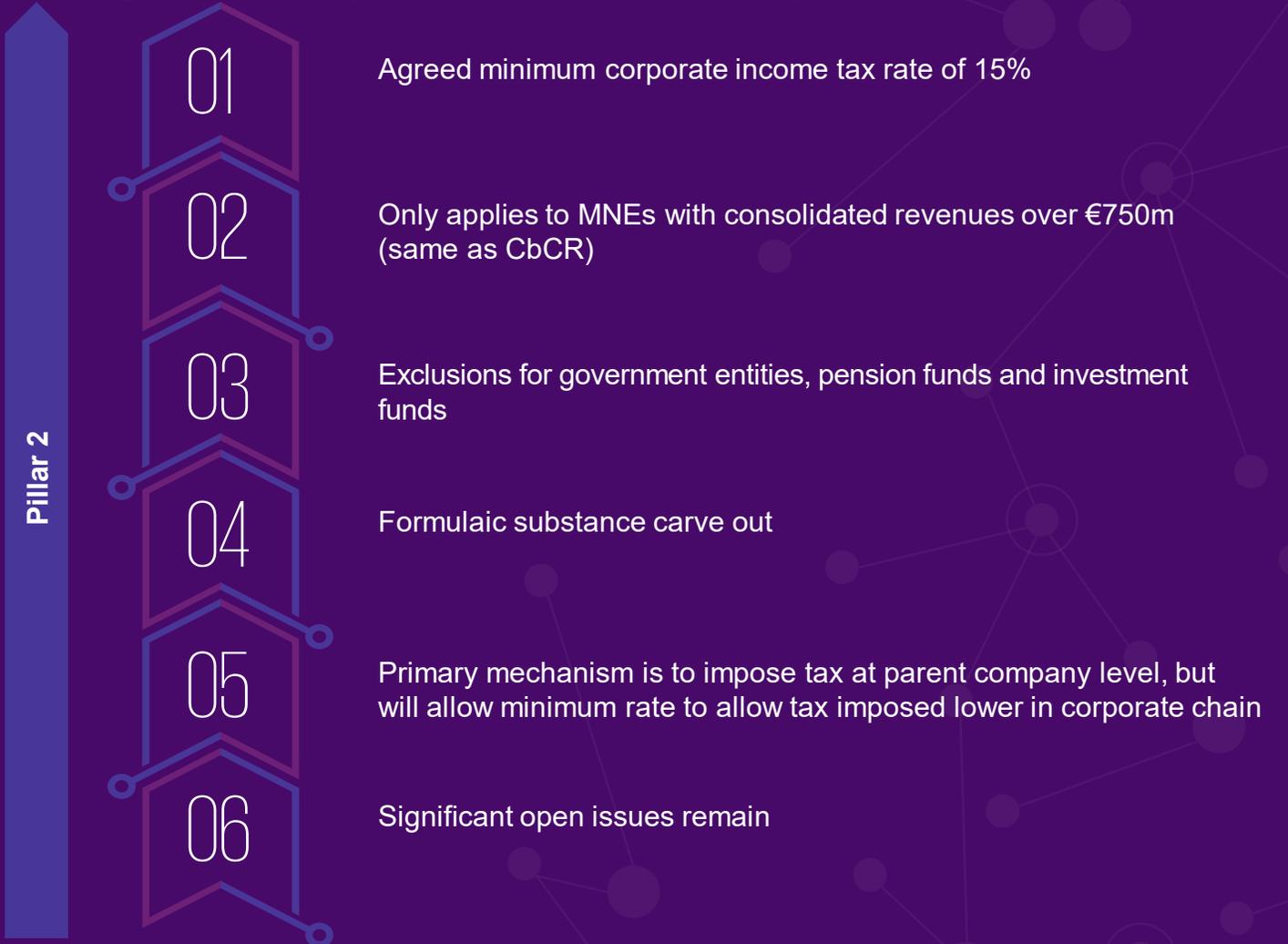


# Inclusive Framework BEPS Agreement

- Agreed by OECD on 8<sup>th</sup> Oct and by G20 on 31<sup>st</sup> Oct
- Rules and commentary by end of November
- Pillar 2 laws introduced in 2022 and effective in 2023



## Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy



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# Impact on local regime and fiscal review

**Tony Mancini | Tax Partner &  
Paul Beale | Tax Director**





Thank you





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