



## KPMG Comment

**“Keep calm and carry on! This sums up the new Chancellor’s first and last Autumn Statement. He avoided the temptation to announce too many changes figuring that businesses face enough uncertainty and change.”**

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## Multinationals

- Confirmation of the reduction in the rate of corporation tax to 19% from April 2017 and 17% from April 2020
- New rules on interest deductions will be implemented from April 2017. In certain circumstances relief on interest could be restricted to 30% of EBITDA
- Confirmation of the changes to loss relief from April 2017. A 50% restriction for brought forward losses where current year profits are above £5m and relaxation of the group relief and streaming rules
- Relaxation of investing conditions for substantial shareholdings exemption from April 2017
- Increase in the standard rate of Insurance Premium Tax to 12% from June 2017
- Consultation on subjecting non-resident companies receiving UK income to the corporation tax regime

## SMEs

- Extension of the disguised remuneration rules to self employed individuals. Employers will also be denied tax relief unless tax and NICs are paid within a specified period
- Crackdown on VAT avoidance through the use of the flat rate scheme through the introduction of a new 16.5% rate from April 2017 for businesses with limited costs
- 100% first year allowances on charging points for electric vehicles from 23 November 2016
- 100% business rates relief for fibre infrastructure investment from April 2017
- Doubling business rates relief in rural areas to 100% from April 2017
- Extension of the Northern Ireland corporation tax regime to ensure all SMEs trading in Northern Ireland can benefit from April 2018
- Ban on letting agents charging fees to tenants

## Individuals

- Commitment to raise the personal allowance to £11,500 from April 2017 and £12,500 by 2020. Plan to index link the allowance from April 2020
- Commitment to raise the higher rate tax threshold to £50,000 by 2020
- Abolition of the tax advantages of new employee shareholder status arrangements implemented from December 2016 and removal of the status itself at the next legislative opportunity
- Non domiciled tax status changes to go ahead
- UK residential property held indirectly by non domiciled individuals to be subject to UK inheritance tax from April 2017 as previously announced
- Consultation on reducing the money purchase annual allowance to £4,000 per annum from April 2017

## Employers

- The range of options available for salary sacrifice will be restricted to pension contributions, childcare vouchers, ultra low emission vehicles and cycle to work schemes from April 2017
- Following consultation the off-payroll working rules in the public sector will be reformed from April 2017. Responsibility for paying the correct tax will be moved to the public body paying the worker’s company
- Increase in National Living Wage to £7.50 from April 2017
- The thresholds for employee’s and employer’s NICs will be aligned from April 2017
- Following consultation the PAYE settlement agreement process will be simplified, with the measures due to take effect from April 2018

**For further information visit: [www.kpmg.com/uk/autumnstatement](http://www.kpmg.com/uk/autumnstatement)**