

Member Update: Covid-19 Policy Response

Activity Update 15 May

Meeting with Rt Hon Kevin Hollinrake MP, PPS to The Dutchy of Lancaster

In May ACCA joined a roundtable with Kevin Hollinrake MP, Parliamentary Private Secretary to Michael Gove MP (Cabinet Office) and Chair of the Fair Business Banking All Party Group. ACCA cited member [survey](#) results showing just 2% of businesses applying for CBILS and low approval rates from lenders. ACCA also raised member feedback highlighting SME reluctance to assume debt and enquired whether alternative finance support measures would be made available. Mr Hollinrake said that grants form a significant part of business support and naturally government would be looking into further support. He invited ACCA to a follow up with examples of members /clients struggling to access loans. ACCA will be sharing member feedback with the minister - members are invited to send any further information to UKPolicy@accaglobal.com

Meeting with Rt Hon Kwasi Kwarteng MP, Minister of State for Business, Energy and Clean Growth (BEIS)

On 11 May ACCA attended a meeting with Minister Kwasi Kwarteng MP. The minister spoke about the government's commitment to the pre-COVID-19 path of making the UK a green finance centre and making sure capital markets have the right information on climate risk exposure, that is comparable and consistent. Jimmy Greer, Head of Sustainability and Research Policy, spoke about the role of chartered bodies in green finance education and the role of accounting standards in improving climate risk disclosures.

SME Cash Flow Survey

At the beginning of the covid-19 lockdown period, ACCA UK launched a survey in collaboration with the Corporate Finance Network (CFN) to identify the urgency and prevalence of liquidity concerns for businesses. Member feedback has received coverage in the [FT](#), BBC Radio and The Accountant online. [We urge members from practice and private sector to share their views and client experiences here.](#)

ACCA Policy Positioning and Progress

ACCA is discussing pragmatic responses and policy developments on a continuous basis. The following positions have recently been adopted and raised by ACCA in our regular market intelligence briefings to key government Departments.

1. Agent eligibility to act on behalf of clients for SEISS

[ACCA is concerned](#) about HMRC's announcement that agents would not be able to make Self-employed Income Support Scheme claims on behalf of clients. Often clients require professional support to set up account details with HMRC, check calculations and use office tax portals. The inability of agents to act on behalf of their client, as is routine with tax returns, could lead to an unnecessary proportion of incorrectly submitted claims and delays. Self-employed individuals may also be left exposed and unable to identify scams and phishing emails of which we are receiving increased reports in the current period.

2. Annual Director PAYE Claims

ACCA has raised the issue of directors on annual payroll that, despite having made RTI submissions in previous years (2018/19 and earlier) and notifying payment to HMRC before 19 March 2020 are not being picked up by the JRS application system.

Additionally, many directors are receiving no support at all as no FPS have been made in the 19/20 tax year ahead of the 19 March cut off. Urgent clarification and assurance is now required on this issue for many directors of limited entities whose only source of government support will now be the CJRS.

3. **Support for self-employed:** From an economic and public value perspective it makes sense to target support for businesses on the basis of their function as economic actors, rather than their legal form. Government should consider how support could be extended to directors of SME incorporated entities to ensure the survival of these businesses, naturally taking into account caps on support that exist for employees and the self-employed.

ACCA Policy Successes

- ACCA's recommendation to **postpone the introduction of the off-payroll working rules** was adopted and we look forward to continuing the conversation with government on fair and transparent application of the rules.
- ACCA's recommendation that government relax home working allowances to extend the tax relief already available to home-based contractors, to all employees asked to work from home by their employer was adopted as [announced](#) by Jesse Norman MP on 13 May.
- ACCA recommended bank loan schemes be adapted to include a higher level of government guarantee with immediate liquidity support for smaller loan volumes so businesses might receive cash in days rather than weeks. We were pleased to see the introduction of the Bounce Bank Loans at 100% government guarantee and hear from members receiving loan approvals in much shorter time frames. We will continue to lobby for improvements in approval rates and delivery of funds for higher loan volumes.