

Written by 27 March 2023

## Business News Scotland

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

### Are you buying or trading Crypto?

If you are thinking about buying cryptoassets (“crypto”) you need to know the basics and understand the risks before jumping in. And remember, if you decide to invest in crypto then you should be prepared to lose all the money you have invested.



The range and accessibility of crypto have grown rapidly in the last few years, accompanied by a surge in speculative trading – which means people trading just because they have heard it may rise in value, rather than seeing evidence to support a potential rise. A number of people invest simply for fun!

Crypto can be thought of as ‘digital representations of value or rights’ that are secured by encryption and typically use some type of ‘distributed ledger technology’ (DLT). DLT allows data to be recorded and stored across a network of participants. This keeps the data secure and means there is no one single central data storage point or one central authority that grants participants permission to access and participate in the network.

The way some cryptoassets are created and operated makes them very different from what some people would class as ‘tangible’ assets (meaning things that you can physically see and touch) like gold or cash. So called ‘unbacked’ crypto have no

tangible assets that sit behind them. Their price can increase or decrease depending on whether other people are willing to buy them. If people stop buying, the price could fall dramatically.

Whereas central banks – like the Bank of England – issue and oversee the money we use daily (fiat currencies), cryptoassets are developed and run by groups, individuals, or companies. Publicly available information about some of these groups/individuals can be vague, and as crypto activity is not regulated yet in the UK, there is no safety net if things go wrong.

Currently, using crypto as a means of payment is very limited – they're accepted by certain IT and travel companies, for example, but you probably won't be doing your weekly shop or paying your 5-a-side football subs with crypto. The reason for this is that cryptoassets tend to be very volatile, so it's hard to pinpoint their value from one day to the next, which makes them unreliable as a payment method. However crypto that are linked to fiat currency can be less volatile and more stable and have the potential to provide faster, cheaper and more efficient payments in the future. Some investors take the view that crypto could possibly one day be accepted in everyday transactions but this is some way off.

Investing in crypto comes with all kinds of risks, some of which you might not even have thought of. For example, converting crypto to fiat currency can prove challenging and holders must keep a record of their digital keys. Capital gains tax can apply to exchanges and other disposals of crypto, even if fiat currency has not been realised. In 2022, crypto lender, Celsius, filed for bankruptcy and owed its users \$4.7 billion, meaning many investors could not get their money out and did not get anything back.

Following the surge in people's interest in crypto over the last few years, scammers have been increasingly active in targeting potential investors. Remember - if something sounds too good to be true then it probably is. Find out how to protect yourself and others from investment scams on the [ScamSmart site](#).

If you are trading in crypto be aware HMRC expects you to keep detailed and accurate records of your purchases and sales. In 2021 they published their internal Cryptoassets Manual which outlines how they measure any profit or loss on trading and details the records required. You can see this here: [Cryptoassets Manual - HMRC internal manual - GOV.UK \(www.gov.uk\)](#). It has just been announced in Budget 2023 that new boxes will appear on the self-assessment tax return to prompt crypto disclosures next year.

Anyone trading in Crypto needs to be aware of their tax obligations and when transactions need to be included in their tax return. Please make sure you tell us about any transactions (even if fiat currency has not been received) so that we can assist and include the appropriate amounts in your self-assessment tax return, as required.

See: [Crypto: The basics | FCA](#)

## Employer duties for the change in the tax year

As an employer running payroll, you need to report to HM Revenue and Customs (HMRC) on the previous tax year (which ends on 5 April 2023), give your employees a P60, and prepare for the new tax year, which starts on 6 April.

<u>What you need to do</u>	<u>When</u>
Send your final payroll report of the year	On or before your employees' payday
Update employee payroll records	From 6 April
Update payroll software	From 6 April
Give your employees a P60	By 31 May
Report employee expenses and benefits	By 6 July

HMRC have published important information for employers on GOV.UK, which includes help with [finishing the tax year 2022 to 2023](#).

Please talk to us about our payroll services; we offer a secure payroll service that not only saves you time and money but can eliminate the risk of getting something wrong.

## New 'Help to Grow' website for businesses

The Department for Business and Trade (DBT) has unveiled a new centralised website, targeted at helping the UK's 5.5 million businesses.

The new 'Help to Grow' site from DBT is aimed at upskilling both big and small businesses across the country by helping them to:

- learn new skills,
- reach more customers, and
- boost business profits.

See: [Homepage - Help to Grow](#)

## Collecting flexible plastic packaging waste at home: Competition

Innovate UK, part of UK Research and Innovation, will invest up to £250,000 from the Smart Sustainable Plastic Packaging Programme to fund projects that will develop innovative ideas to help with the collection of flexible plastic packaging waste from households.



The ultimate goal of this competition is the reduction of the amount of waste ending up in landfill or in the environment. The selected projects will have the opportunity to develop their concept, and then present and prototype their idea as part of a nationwide trial to collect flexible plastic packaging waste from UK households.

Your project must:

- develop an idea and propose a design for containing or collecting household flexible plastic packaging waste that is easy to store in the home and easy to carry or transport; or
- encourage householders to collect flexible plastic packaging waste as a separate waste stream for kerbside collection or for transporting to collection points in supermarkets.

To be eligible, your project must:

- have a grant funding request between £25,000 and £50,000,
- start by 1 September 2023,
- end by 29 February 2024,
- last between three and six months,
- carry out its project work in the UK, and
- intend to exploit the results from or in the UK.

See: [Competition overview - ISCF SSPP Collecting flexible plastic packaging waste at home - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](https://www.innovation-funding.service.gov.uk/competition-overview-iscf-sspp-collecting-flexible-plastic-packaging-waste-at-home)

## **Spring Budget 2023 – GAD’s analysis**

Experts at the Government Actuary’s Department (GAD) have focused on pensions taxation, pension fund investment and retirement planning in their analysis of the [Spring Budget](#).

The Chancellor set out plans to deliver on 3 of the Prime Minister’s 5 key priorities: to halve inflation, grow the economy and get debt falling.

### Pensions tax reform

GAD’s latest Technical Bulletin examines the government’s announcements on pensions tax reform. The Spring Budget aimed to increase the labour supply and support people to move into employment. There is a particular emphasis on encouraging workers aged over 50 to extend their working lives.

Reforms were announced to the total tax-relieved pension savings an individual can make each year and over their lifetime. These affect the lifetime allowance (LTA), annual allowance (AA), and money purchase annual allowance (MPAA), as well as other tax limits.

### Pension fund investment

GAD’s Technical Bulletin also looks at the government’s plans to support high growth sectors of the economy. This will include encouraging investment and smarter regulation.

The Spring Budget set out some initial measures, while the government will work closely with industry and regulators to bring forward a package of measures by the autumn.

### Retirement planning

There will be more focus on retirement planning. People in their 40s, 50s and 60s will be encouraged to make more active planning in key areas of work, wellbeing, and money. In the Spring Budget 2023, the government announced it will work with employers and pension providers to encourage people to [undertake midlife MOTs](#).

See: [Spring Budget 2023: a GAD technical bulletin - GOV.UK \(www.gov.uk\)](#)

## **Religious festivals, holy days and observances**

In the UK there is a wide range of different religions that both employers and employees may need to have some understanding of and how they may occasionally affect the workplace.

One of the holiest months of the Islamic calendar, Ramadan, which began on Wednesday 22 March and will end on the evening of Friday 21 April. This means Eid al-Fitr 2023 will be celebrated on Friday 21 April. As the commencement of Ramadan is confirmed by moon sighting, these dates may vary by one day.

Ramadan is the ninth month of the Islamic calendar, observed by Muslims worldwide as a month of fasting, prayer, reflection, and community.

Many workplaces have employees from different religious and non-religious backgrounds.

Other examples include:

- Diwali (Hindu),
- Guru Nanak (Sikh),
- Lent (Christian),
- Pesach/Passover (Jewish), and
- Vesak (Buddhist).

Encouraging greater awareness and understanding of these backgrounds can be rewarding, particularly in terms of team building. It can also help to reduce the chance of misunderstanding resulting in complaints or disciplinary action.

See: [Acas guide on religion or belief discrimination | Acas](#)

See: [Religion or belief: a guide to the law | Equality and Human Rights Commission \(equalityhumanrights.com\)](#)

### **Fast Growth 50 2023**

Fast growth firms - which are normally defined as achieving 20% growth per annum - make up less than 1% of the UK business population but represent 50% of the total SME turnover output.

The UK Fast Growth 50 project will undertake a data-driven approach to identifying the fastest growing firms in each nation and region of the UK. It will research, develop, and publish lists that identify the 50 fastest growing companies in eight UK nations and regions, namely the East of England, London, the Midlands, North of England, Northern Ireland, Scotland, South of England, and Wales.

See: [The UK Fast Growth 50 | Ideas Forums Ltd \(freshbusinessstinking.com\)](#)

### **Plans to make UK an international technology superpower launched**

The UK government has published a roadmap for reaching tech superpower status by 2030 through a new International Technology Strategy.

The Foreign Secretary and the Science, Innovation and Technology Secretary set out at the launch in London how the UK will build on the strength of our tech sector, which is already the largest in Europe and the third highest valued in the world after the USA and China.

The UK government will work closely with governments, academia, and industry to leverage the UK's strengths in technology through international partnerships with established and emerging science and technology powerhouse nations.

See: [Plans to make UK an international technology superpower launched - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/plans-to-make-uk-an-international-technology-superpower-launched)

### **Latest HMRC tax webinars – for the self employed**

Webinars from HM Revenue & Customs (HMRC) are intended to help the self-employed understand tax issues that affect them. Listed below are a number of upcoming live HMRC webinars.

The webinars are free and last around an hour.

#### [Business expenses for the self-employed](#)

Tue 11 Apr at 1:45pm

#### [Car expenses for the self-employed](#)

Wed 12 Apr at 1:45pm

#### [Residential property income for individuals - an introduction](#)

Tue 18 Apr at 11:45am

Tue 25 Apr at 9:45am

#### [Residential property income for individuals - expenses and deductions](#)

Thu 20 Apr at 1:45pm

Thu 27 Apr at 11:45am

#### [Record keeping for the self-employed](#)

Fri 21 Apr at 11:45am

#### [Capital Allowances for the self-employed](#)

Tue 25 Apr at 1:45pm

#### [How to apply the VAT reverse charge for construction services](#)

Thu 27 Apr at 9:45am

### **Latest HMRC tax webinars for employers**

Webinars from HM Revenue & Customs (HMRC) are intended to help employers and businesses understand tax issues that affect them. Listed below are a number of upcoming live HMRC webinars.

#### [How to make sure you are paying the new minimum wage rates correctly](#)

Wed 29 Mar at 1pm

#### [Getting payroll information right](#)

Thu 23 Mar at 11:45am

Fri 19 May at 9:45am

### [Employer filing obligations](#)

Mon 22 May at 11:45am

### [Statutory Sick Pay](#)

Wed 12 Apr at 9:45am

Thu 4 May at 9:45am

### [Statutory Maternity and Paternity Pay](#)

Mon 17 Apr at 11:45am

Wed 3 May at 11:45am

### [Expenses and benefits for your employees - travel](#)

Wed 19 Apr at 9:45am

Thu 11 May at 11:45am

### [Expenses and benefits for your employees – phones, internet and homeworking](#)

Fri 21 Apr at 9:45am

Wed 10 May at 9:45am

### [Expenses and benefits for your employees - company cars, vans and fuel](#)

Mon 24 Apr at 9:45am

Tue 16 May at 11:45am

### [Expenses and benefits for your employees - social functions and parties](#)

Wed 26 Apr at 11:45am

Wed 17 May at 9:45am

### [Expenses and benefits for your employees - trivial benefits](#)

Fri 28 Apr at 9:45am

Wed 17 May at 11:45am

## **Exhibit at the Scottish Pavilion at Aqua Nor in 2023**

Opportunities are available for Scottish businesses, universities, and research organisations that wish to exhibit at the Scottish Pavilion at Aqua Nor - the largest aquaculture technology show in the world. Aqua Nor is a trade exhibition for organisations eager to develop international sales to the global aquaculture industry.

The show opens 22 August 2023 and runs for 3 days in Trondheim, Norway.

Scottish businesses, universities or research organisations interested in taking a pod on the Scottish Pavilion should submit an expression of interest to Highlands and Islands Enterprise without delay. The last places are expected to be allocated during March or April 2023 at the latest.

Exhibitors will be allocated a pod space of 2 metres by 2 metres in the Scottish Pavilion.

See: [Aqua Nor 2023 | HIE](#)



## **Green freeports tax relief**

Incentives for businesses to invest in Scotland's two new green freeports are proposed in a new consultation.

Changes to Land and Buildings Transaction Tax (LBTT) rules would offer full or partial relief from the tax on non-residential buildings and land in certain areas within the green freeports.

Relief would be available for a period of up to five years on land or property bought or leased for certain commercial activities.

The green freeports are expected to be operational later this year after being jointly announced by the Scottish and UK governments in January following a rigorous selection process.

The new tax relief will be one of a package of incentives available in the green freeport tax sites, which are designated, underdeveloped areas located in the wider green freeport boundaries.

The Scottish Government will also fund local authorities choosing to offer non-domestic rates relief for certain properties or property improvements within the tax sites for up to five years. This is alongside UK Government support of up to £52 million in start-up funding, and areas such as employer National Insurance relief and customs easements.

See: [Green freeports tax relief - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2023/01/230123_green_freeports_tax_relief.pdf)

## **Building new links with the Arctic**

Continuing to build relationships with Arctic neighbours will help Scotland pursue shared ambitions and address common challenges, External Affairs Secretary Angus Robertson said last week.

Mr Robertson was addressing the Arctic Frontiers Abroad conference in Aberdeen, where he confirmed further funding for the Arctic Connections Fund that aims to enhance knowledge sharing and cooperation between Scottish and Arctic organisations and communities.

As the world's most northerly non-Arctic nation, the conference builds on the many similarities and connections Scotland shares with Arctic countries. It helps mobilise leading Scottish and international voices across policy, science and the business community to jointly discuss issues such as renewable energy development, blue economy, rural resilience and the climate crisis.

See: [Building new links with the Arctic - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/documents/2023/01/230123_building_new_links_with_the_arctic.pdf)

## **Support for Scotland's crofters**

Crofters across Scotland will be able to apply for larger sums of money to upgrade their housing under the Croft House Grant. To help ensure more crofters and their families can benefit, the government is increasing the grant rate for home improvements from 40% to 60% of the total project cost – with a maximum grant of £38,000.

The grant scheme also supports crofters to build new homes, allowing them to maximise the full potential of their crofts and to retain and attract people to remote and rural communities.

See: [More support for Scotland's crofters - gov.scot \(www.gov.scot\)](https://www.gov.scot)