

WLTP-based motoring taxes will still take effect in April

HM Treasury has confirmed that it will not be delaying the introduction of WLTP-based motoring taxation in April.

The BVRLA is well-aware of the administrative and financial challenges members are facing with this tax change, which have been exacerbated by the huge volume of undelivered and unsupplied vehicles that are stuck at various stages within the order process.

The association has had extensive discussions with HM Treasury on this issue. They have explained that any delay would have to be applied to the whole market and would require Ministerial scrutiny and primary legislation. Given the timescales involved, the fact that Parliament is now in recess and the allocation of Treasury staff to other Covid-19 related priorities, they are unable to make any changes.

Financial support: Job Retention Scheme

The Government has introduced a temporary [Coronavirus Job Retention Scheme](#), open to all UK employers for at least three months starting from 1 March 2020. Claims can be backdated from this date if applicable.

The scheme, due to be up and running by the end of April, is designed to support employers whose operations have been severely affected by coronavirus.

Employers can use a portal to claim for 80% of furloughed employees' (employees on a leave of absence) usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage.

Employers can use this scheme anytime during this three-month period and it is open to all UK employers that had created and started a PAYE payroll scheme on 28 February 2020.

You can only submit one claim at least every 3 weeks, which is the minimum length an employee can be furloughed for.

The guidance makes it clear that commission and bonuses **are not** considered when calculating an individual's wage, just their basic gross salary. The BVRLA is aware that commissions and bonuses form a significant part of the salary package for many motor finance employees and will be highlighting this issue to the Government.

FCA update on compliance and consumer credit support

The BVRLA has been in contact with the FCA for an update on compliance issues during the COVID-19 crisis:

- The authority expects companies to continue with their usual compliance monitoring and reporting procedures, including the submission of regulatory data. The BVRLA highlighted the fact that some firms may be unable to continue recording calls while their staff were working remotely. The FCA advised that where firms are unable to maintain their usual compliance and reporting procedures, they should contact the FCA in the first instance. There is no automatic forbearance on this.
- The FCA stressed the importance of Business Continuity Planning and that firms should be following their plans to ensure good customer outcomes.
- The FCA flagged that there had been an increase in scams taking place during this time and advised that further information would be available shortly on a dedicated web page.
- The BVRLA raised a question on the extension of lease agreements where consumers are asking for payment holidays. At present, firms are required to complete lengthy formal documentation required of them under the Consumer Credit Act. The current surge in such requests is making it hard for members to meet these statutory obligations and provide a speedy 'good outcome' for consumers. The FCA recognised that the BVRLA and FLA have raised this issue and advised that it is something that they are already in discussions with Treasury on. They will be providing a further update in due course, but in the meantime would welcome examples of regulatory barriers and paperwork that are impractical given the current circumstances.

Financial support: Self-employment Income Support Scheme

The Government has introduced a [Self-employment Income Support Scheme](#) to support self-employed individuals, including members of partnerships, whose income has been negatively impacted by coronavirus.

Self-employed people who have set themselves up as a Limited Company are not eligible for this relief.

The scheme will provide a grant to self-employed individuals or partnerships, worth 80% of their profits up to a cap of £2,500 per month. HMRC will use the average profits from tax returns in 2016-17, 2017-18 and 2018-19 to calculate the size of the grant.

The scheme will be open to those where the majority of their income comes from self-employment and who have profits of less than £50,000. The scheme will be open for an initial three months with people able to make their first claim by the beginning of June.

Individuals should not contact HMRC now. HMRC will use existing information to check potential eligibility and invite applications once the scheme is operational.

[Self-employment Income Support Scheme Frequently Asked Questions](#)

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HMRC's tax helpline number has changed

HMRC has set up a phone helpline to support businesses and self-employed people concerned about not being able to pay their tax due to coronavirus.

The tax helpline number has changed to 08000 241222. Opening hours are from 8am to 4pm Monday to Friday. Calls to the old helpline number will be redirected automatically.