By 15 May 2024 Freeport and Investment Zone employer National Insurance contributions reliefs - GOV.UK (www.gov.uk).

# Freeport and Investment Zone Employer National Insurance Reliefs: ICAS response

# ICAS response to HMRC consultation: Freeport and Investment Zones Employer National Insurance Reliefs

## About ICAS

1. The Institute of Chartered Accountants of Scotland ('ICAS') is the world's oldest professional body of accountants. We represent over 23,000 members working across the UK and internationally. Our members work in the public and not for profit sectors, business and private practice. Approximately 10,000 of our members are based in Scotland and 10,000 in England. ICAS has a public interest remit, a duty to act not solely for its members but for the wider good.

2. The following submission has been prepared by the ICAS Tax Board. Tax Board, with its six technical Committees, is responsible for putting forward the views of the ICAS tax community; it does this with the active input and support of over 60 committee members.

## General comments

3. ICAS welcomes the opportunity to feed into this HMRC consultation on additional employer reporting requirements to claim secondary NICs reliefs in Freeports and Investment Zones.

## Specific Responses to Questions

ICAS comments as follows:

4. If the measure being proposed (for employers to provide the postcode of the location where each employee is working on the FPS) is going to help HMRC to award tax relief to employers in a timely manner, then it makes sense to add this additional reporting requirement in – although it is a shame that this additional measure was not introduced, together with the other Freeport and Investment Zone provisions from the very beginning – in 2021 (not 2022 when the NICs relief first came into being for a three year period). That said, one would imagine that it would be sufficient for this information to be completed by providing one payroll location for all employees on a location's pay run (i.e. per FPS) rather than by employee.
5. In terms of difficulties, it is likely that the work required to insert a post code for each employee is probably going to be manual unless a viable software solution can be identified such as a payroll location code which is automatically attributed to employees' home addresses, for example – and even then, there will be exceptions. This is however likely to be a front-end solution and probably not something which needs to be manually repeated for each pay run on an ongoing basis (except for new starters).
6. As ever, as much notice as possible of any changes prior to the effective date of commencement will be required to allow employers and software houses to plan effectively will be needed.

7. A question remains as to whether any other protected characteristics ought to be considered as well as other forms of parenting and guardianship, to avoid any form of unintended discrimination.
8. ICAS remains hopeful following the November 2023 UK Government announcement, the duration of tax reliefs in English Freeports will be extended from 5 to 10 years, with benefits claimable until September 2031, and that work will be undertaken with the Scottish and Welsh governments to provide for equivalent extensions in those jurisdictions. We look forward to working with the UK and devolved governments to achieve this policy aim.

CA House, 21 Haymarket Yards, Edinburgh, UK, EH12 5BH
+44 (0) 131 347 0100
connect@icas.com
icas.com

@ICASaccounting
ICAS – The Professional Body of CAS
icas_accounting