

Accountancy Newsletter March 2016

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FRC set to gain new powers in June

The accountancy regulator, the Financial Reporting Council (FRC), will gain new powers in June 2016 as it works alongside the FCA, the PRA and professional bodies to implement the EU Auditing Regulations and Directive.

[Read more](#)

Insolvency CFA exemption is coming to an end

1 April 2016 will see the insolvency profession fall in line with other civil litigation as the exemption which enabled the recoverability of CFA success fees and After the Event (ATE) insurance premiums from the unsuccessful party to litigation comes to an end. This recoverability was abolished in other civil litigation in April 2013, principally as one of a number of changes intended to control and reduce the costs of civil litigation.

[Read more](#)

Witness statements - a waste of time and money?

Should "little if any reliance at all" be placed on witness evidence given our "fluid and malleable" memories and the "powerful biases" in the litigation process? We consider its utility and role in a climate of growing judicial scepticism.

[Read more](#)

Continuing duty to correct mistakes

To get around limitation problems, claimants may argue that a professional was under a continuing duty to correct an error until the point of rectification, so that the 6 year period for bringing claims runs from this later point in time. However, the recent Court of Appeal decision in *Capital (Banstead 2011) Limited & ANOR v RFIB Group Limited* [2015] EWCA Civ 1310 has usefully narrowed the circumstances in which claimants can run such arguments.

[Read more](#)

Loss of Chance to obtain better outcome in commercial negotiations

Although a claim against a firm of solicitors, the *Harding Homes v Bircham Dyson Bell* decision is of significance to accountants and financial professionals because of the rulings made as to the burden of proof and the evaluation of the chance said to have been lost by the professional's negligence.

[Read more](#)

Breach of fiduciary duty claims and the importance of keeping records - *Keown v Nahoar and Others* [2015]

Keown v Nahoar concerned an accountant and his family alleged to have misappropriated substantial sums of money and clarifies where the burden of proof lies in such cases. The importance to anyone in a fiduciary position of maintaining accurate records is also illustrated.

[Read more](#)

Tax avoidance - investor class actions

We are continuing to see significant notifications to insurers which relate to tax avoidance schemes, and HMRC's so-called 'clamp down' on tax avoidance using accelerated payment notices (APNs) to recover disputed tax directly from taxpayers without the need for a court order. See our previous updates [here](#) and [here](#) for background information.

[Read more](#)

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