

E. R.

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PRIME MINISTER

David Young is going to talk to you about deregulation on Monday.

I attach a preliminary list of possible regulations and statutory provisions that could be abolished, amalgamated or simplified, in order to improve the lot of the small businessman. Peter Warry is working on a selected list from the Ibbs scrutiny, the CBI and IOD submissions, and from his own understanding of the law as it relates to business.

When we have a final list of suggestions, we will put it to David. This list at the moment is just to give you an idea of the magnitude of the task and the scope there is for improvement.



JOHN REDWOOD

COMPANY ACCOUNTS AND ADMINISTRATION

- S Reduce prescribed content of accounts for small firms
- C Relief from full filing requirements for subsidiaries
- C Dormant companies to make only single line Annual Return
- S,C Exempt small shareholder managed companies from statutory audit
- D Changes in company circumstances only to be reported in Annual Return
- S Combine accounts and annual return into a single requirement
- S Send out annual return form six weeks before it is due
- S Reduce annual filing fee
- C Non-disclosure of small loans to directors

COMPANY LAW

- C Replace Memorandums of Association by short form statement
- C New "micro" company to simply confer some benefit of incorporated status
- C Reinstate register of trading titles
- C Help protect minorities by Ombudsman to review contested cases
- C Remove requirement for trading certificates under 1980 Act

TRADING STANDARDS

- S,C Repeal Bargain Offers order and replace in reduced form
- C Repeal The Food (Prohibition of Repricing) Order 1978
- C Single authority for enforcing trading standards in overlap areas
- S,C Strengthen statutory defences for honest traders against misdescription
- C De minimis or little injury defences to be introduced
- C Quality of other similar goods for sale as defence in Food Act
- C Trade Descriptions Act not to be used if action under another Act possible
- S General statutory duty that goods are safe but not detailed laws
- S Compliance costs/benefit to be explicitly used in setting safety standards
- S Review regulations on night dresses, carry cots, prams, oil lamps etc

WEIGHTS AND MEASURES

- C Complete metrication in food retailing
- S Simplify prescribed quantities requirements for pre-packed food
- S Continue to oppose EC proposals on "Unit Pricing"
- C Apply average weight system to catchweights as well (check DTI)
- C More self certification/approvals in weights and measures area
- C 3 months advance notice before any change in technical criteria
- C Legislation and certification should take account of latest technology
- C Quicker and cheaper approval of new measuring techniques
- C Only parts critical to weighing accuracy to be certified
- C Modules rather than whole measuring systems to be approved

CONSUMER CREDIT

- S Reduce or end Acts coverage of commercial borrowing
- S Reduce or end licensing of credit businesses
- S Simplify lenders statutory obligations
- S Simplify advertisements regulations
- S Abandon quotations regulations
- S Simplify documentation for credit agreements

STATISTICAL RETURNS

- C Statistics to be in form that businesses normally use themselves
- S,C Improve layout and presentation of forms
- S Try to exclude very small firms altogether
- S Minimise sample sizes and spread burden evenly
- S New forms to be tested by initial pilot exercise
- S Post hoc monitoring with user firms to be instituted

PAYE AND NIC

- S Improve starter pack by contents list and description of total system
- S Harmonise pay definitions for PAYE and NIC
- S Make PAYE and Class 1 NIC non-cumulative but more study
- S End separate visits by PAYE and NI inspectors
- S Consider quarterly payment by employers of PAYE and NIC

PAYE

- P,D Give right to be treated in all respects as self-employed
- S Make binding one departments decision on self-employment on others
- C More constructive response to part-time and self-employed workers
- C? Move to US style self-assessment of tax
- C Payslip to be used in lieu of P60 and perhaps P14
- C Raise the P11D threshold
- C Make all P11D expenses non-tax allowable to employer
- C Omit allowable expenses from P11D reporting
- C? Consolidate Schedule E payments in kind and PAYE

NATIONAL INSURANCE

- S Reduce number of mariners' NIC rates
- S Changes to small earnings exception on class 2 NIC
- S Enquiries on past years' NIC be answered from P60 rather than by employers
- S Combined visits also for Class 2 and 4 NIC

STATUTORY SICK PAY

- P Employers to contract out of SSP refund and NIC contribution
- S Employers forego SSP refunds in return for reduced recording
- S Changes to definitions of qualifying days for SSP
- S Simpler SSP recording system in line with above
- S The "linking letter" to be sent direct to the employer

PENSIONS

- C Employees to be able to contribute to own pension fund separate from employment
- C Abolition of some of the Inland Revenue Limits for pensions
- C Simplify regulations relating to "franking"
- C End over-riding legislation to allow schemes to be complete on their own
- C Do not introduce Public Deposit Registry of pension schemes

COMPANY TAX CHANGES

- D Abolish all or some stamp duty
- P Abolish token stamp duty payments
- D Abolish Development Land Tax
- D 7 year cut off for capital gains tax
- D Exempt business assets from capital transfer tax
- D £5,000 of profits tax free for small business start ups
- C End petroleum licence holders responsibility for tax of defaulting subcontractors
- C Allow parent companies to take on tax assets of liquidatable subsidiaries

TAX ADMINISTRATION

- D Government to pay business for collecting VAT, PAYE, etc
- C Existing tax law to be codified and consolidated
- C More published guidelines on Revenue interpretation of the law
- C Inland revenue to be less zealous in blocking little loopholes
- C Ensure timely publication, eg of Finance Bill
- C Better communication within Inland Revenue so requests not repeated
- C? Merge Inland Revenue and Customs and Excise