

Press Release

MMP Tax Ltd
response to the EU referendum 2016
Our message for our tech business clients

for immediate release
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The world woke up last week to find that the UK had voted to leave the EU. This was a result that many people were not expecting. Against this backdrop, there is uncertainty and political unrest across the UK and much commentary across the EU and the globe. All of which is not necessarily good for business.

Tax incentives are very much a part of the developed world's tax landscape. These are **not** EU directives and as such are not impacted by the UK's status in the EU. Indeed, Australia, the US and Canada introduced tax incentives for research and development long before the UK. The latest statistics from the 2016 edition of Research and Development Statistics (RDS)¹, released in April, provide a wide range of recent data on the resources devoted to R&D in all OECD countries and selected non-member economies (see figure 1).

The process for exiting the EU will take a number of years and nothing is likely to change overnight and we do not believe that the decision to leave the EU will bring an immediate change to the tax incentive policy or government tax roadmap²:

One potential positive side of leaving the EU is that the tax incentive rules may no longer be bound by EU legislation. Therefore it may be possible for the government to offer more generous technology tax incentives in the future.

MMP continues to provide specialist technology tax advice to tech firms developing new products, patenting products and investing in the creative sector such as video games development. These tax incentives have proven to be helpful in encouraging innovation and creating and/or protecting jobs in the UK and will continue to do so into the foreseeable future. MMP will continue to work hard both with government, through our role in advisory committees and working groups, and with clients, to ensure the best outcome for both.

David Marshall, Director at MMP Tax Limited, commented:

"MMP works with corporate clients to ensure they get maximum value from technology tax incentives, while respecting the government's policy intent. MMP will continue to encourage the government to enhance the incentives for companies to invest in R&D and to claim the reliefs that they are entitled to".

"Strong technology and manufacturing industries are crucial to the UK's economic future. Tangible tax incentives that motivate these tech businesses to invest in intellectual property and R&D will continue to be an essential part of the governments' overall strategy".

=====ENDS=====

¹ <http://www.oecd.org/innovation/inno/researchanddevelopmentstatisticsrds.htm>

² <https://www.gov.uk/government/publications/2010-to-2015-government-policy-business-tax-reform/2010-to-2015-government-policy-business-tax-reform#appendix-4-innovation-and-investment>

About MMP Tax:

MMP offer breadth and depth in the provision of specialist technology-based tax consultancy for our corporate clients. Specific areas of expertise include tax reliefs for R&D, patents, video games and animation, specialised capital allowances, and IP strategy.

At MMP we combine specialist knowledge of technology tax reliefs with practical experience in engineering and scientific disciplines. We apply these skills to ensure our clients submit robust and verifiable claims.

The directors have decades of direct experience in technology tax relief from a technical and consulting perspective, in addition to wide-ranging experience in industry.

Get in touch:

Tel: 0207 458 4108
Email: info@mmp-tax.co.uk
Web: www.mmp-tax.co.uk

David Marshall, director of MMP Tax
david.marshall@mmp-tax.co.uk

Alexis Marz, director of MMP Tax
alexis.marz@mmp-tax.co.uk

figure 1 from www.oecd.org/sti/rds

