21 September 2026

BUSINESS NEWS – Round up

Welcome to our weekly round up of the latest business news for our clients. Please do contact Cognitor Accountancy to talk with us about how these updates may affect your business. We are here to support you!

Bank of England holds interest rates at 3.75%

A split decision by the Bank of England's nine-member Monetary Policy Committee has held interest rates at 3.75%. The 6-3 decision came in spite of the Office for National Statistics reporting UK inflation accelerating to 3.1% the day before. July's inflation rate was 2.9%.

Rising fuel prices due to war in the Straits of Hormuz, along with US tariffs, have seen global pressures on prices, with the UK's position exacerbated by poor domestic growth.

Businesses and homes have been put on notice by the Bank's governor, Andrew Bailey. He warned that should inflation move towards 4%, the Bank was likely to change its position.

In a surprise move, the Bank also announced that it was suspending an expected sale of £488 billion of government debt. £120 billion would be held to back the Bank’s issuance of banknotes. Other gilts would be sold to the market at a slower rate.

The Bank of England's decision came after the US Federal Reserve lifted borrowing costs for the first time since 2023.

Changes to Self Assessment reporting for directors

HMRC have clarified the position on Self Assessment tax return reporting requirements for directors of close companies and updated their guidance for directors of charities.

A close company is a company that is owned or controlled by a small number of people, usually five or fewer shareholders.

New requirements

Additional reporting requirements for directors of close companies came into force for Self Assessment returns from 2025-26 onwards. Those who are affected now need to report the following on their tax return:

- The name of the close company.
- The registered number of the close company.
- The amount of income they receive from dividends from that company in that tax year.
- The percentage of their shareholding.

Only close company directors who are currently required to complete a Self Assessment return need to report this information. However, the information must be provided even if the company is only a close company for part of the tax year.

Up until now it has been unclear whether directors who are unpaid or who are not shareholders of the company need to provide this information, and HMRC have now addressed this.

What have HMRC said?

HMRC have confirmed that when directors are unpaid and/or have zero shareholdings in the close company, they must still complete the new boxes on the tax return. Directors of dormant close companies must also complete the new boxes.

Where no dividend income has been received, or there is no shareholding, '0' will need to be entered in the appropriate boxes.

However, directors of registered charities or Community Interest Companies do not need to complete the new boxes if they have not received, nor become entitled to receive, any employment income or dividend income. This includes any other type of distribution from that company or any connected company.

HMRC have highlighted that a £60 penalty may apply if the boxes on the tax return that are related to close companies are completed incorrectly.

If you need any help with completing your tax return, or are unsure whether these requirements apply to you,* please get in touch*. We'd be happy to help you.

Update on UK VAT refunds for non-UK businesses

HMRC have updated guidance on UK VAT refunds for non-UK businesses in a VAT group. Revenue & Customs Brief 10 (2026) explains changes to how non-UK businesses in a VAT group should make future UK VAT refund claims and the transitional arrangements. It also explains how to ask HMRC to reconsider claims made since 1 January 2021 that have been refused.

The issue

Non-UK businesses can use the overseas VAT refund scheme to claim back UK VAT if they meet the scheme conditions. Before Brexit, businesses established outside the EU had to submit claims through the VAT group's representative member, even if that representative member had not incurred the UK VAT.

In some circumstances, businesses established in the EU could submit claims in their own name.

Since 1 January 2021, all non-UK businesses that were members of a VAT group had to submit claims through the group representative member.

As a result, some EU VAT group members were no longer able to submit claims in their own name. This meant that in some cases, such as where the representative member was registered for VAT in the UK, the business that incurred the UK VAT was unable to claim a refund.

This was an unintended consequence of the UK's exit from the EU.

The solution

The current changes will allow all eligible non-UK businesses to claim refunds of UK VAT in the same way, whether they are in the EU or elsewhere.

All non-UK businesses that are members of a VAT group can and must submit their own claim for any UK VAT they incur. HMRC will not accept claims from a representative member unless that representative member incurred the VAT.

As a transitional measure, HMRC will accept claims for VAT incurred between 1 July 2025 and 30 June 2026 (the 2025-26 prescribed year) from either:

- The individual VAT group member that incurred the VAT.
- Or the representative member of the VAT group.

The deadline for submitting claims for the 2025-26 prescribed year is 31 December 2026.

Reviewing rejected claims by HMRC

HMRC have said they will review claims for VAT incurred from 1 January 2021 that have previously been rejected because the representative member did not submit the claim, provided that the VAT was not included in a later claim.

If you have concerns over your VAT position or your tax position within a group,* please get in contact*. We are here to help you.

Shakeup in AIM rules needed for survival

The biggest overhaul of the AIM (Alternative Investment Market) in years has become effective, with the London Stock Exchange (LSE) introducing reforms designed to reduce regulatory burdens, support fundraising and make AIM a more attractive market for growing businesses.

The changes come as the stock market for small businesses and high-growth companies faces an existential risk. Tax changes, poor valuations, reduced risk appetite and greater competition for funding have reduced its attractiveness.

According to financial markets platform Dealogic, nearly 1,700 companies were listed on AIM in 2007. This fell to 605 this year, while the market valuations have fallen by over a third.

The AIM also faces competition from the newly launched Private Intermittent Securities and Capital Exchange System (Pisces), a secondary trading market for private company shares.

In an effort to make the AIM more attractive, the LSE announced new rules on 5 August 2026 that are intended to strike a balance between investor protection and the needs of ambitious growth companies. For businesses considering an AIM listing, acquisition strategy or future fundraising, the changes could have significant implications.

Working capital statement removed

One of the most significant reforms is the removal of the traditional working capital statement from AIM admission documents.

Previously, directors were required to confirm that a company had sufficient working capital for at least 12 months following admission. Under the new rules, this requirement is replaced with enhanced disclosures covering:

- Material capital resources.
- Financial obligations.
- Use of fundraising proceeds.
- Directors' assessment of future funding requirements over the next 12 months.

The change should give investors a fuller picture of a company's financial position rather than relying on a single formal statement. Underlying financial due diligence remains essential, particularly for businesses that may need future fundraising to support growth.

New capital access window

AIM companies can now request a temporary suspension of trading while undertaking an equity fundraising.

The new voluntary 'capital access window' is designed to provide companies with greater control over fundraising negotiations and reduce market volatility during the process. This could prove particularly useful for smaller businesses seeking to raise capital without exposing sensitive discussions to immediate market reaction.

Reverse takeover rules relaxed

The definition of a reverse takeover has been significantly narrowed. Previously, shareholder approval was generally required when a transaction exceeded 100% under AIM's class tests. Under the revised rules, transactions will only be classified as reverse takeovers if they result in a fundamental change of the company's business, board or voting control.

As a result, some large acquisitions that would previously have required shareholder approval may now proceed more quickly, provided they do not fundamentally transform the company.

Higher threshold for substantial transactions

The threshold for a substantial transaction has increased from 10% to 25%. This aligns AIM more closely with the Main Market and will reduce the number of transactions that fall within the substantial transaction regime. For acquisitive businesses, this should lower compliance costs and simplify execution of smaller acquisitions and disposals.

Faster route to market

The former Designated Market Route has been replaced by a new Express Market Route.

The revised framework widens eligibility to companies from more jurisdictions and shortens the required Schedule One announcement period to three business days. In addition, a new dualadmission route allows companies seeking simultaneous admission to both AIM and an approved overseas market to rely on their existing admission documentation, provided they raise at least £6 million.

Governance and founder-friendly reforms

Measures have been introduced to make AIM more attractive to founder-led businesses. Companies can now introduce special voting shares at admission, enabling founders to retain enhanced control after listing. Unlike some international markets, AIM has not imposed a mandatory sunset clause, leaving investors to assess the structure as part of their investment decision.

Another notable reform is the removal of the requirement for AIM companies to adopt a recognised corporate governance code on a 'comply or explain' basis. Instead, businesses must disclose information across five prescribed governance areas, allowing greater flexibility for companies at different stages of development.

Greater focus on investor responsibility

The revised rules introduce a prominent 'buyer beware' statement that must appear at the front of AIM admission documents.

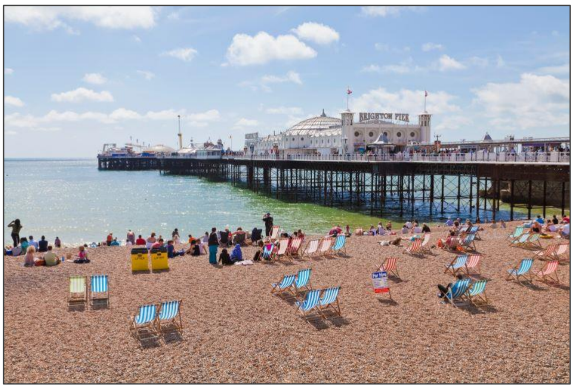
This reinforces the principle that investors should undertake their own due diligence when evaluating AIM-listed companies. AIM companies are also now expressly permitted to respond to market rumours and third-party commentary when they believe information circulating in the market may be inaccurate or misleading.

If you are seeking new financing, considering listing on AIM or joining Pisces,* please get in contact with us*. We're here to help.

England's new tourist tax

Mayors across England are to be given the power to charge a tourist tax on overnight stays which would apply to British and foreign visitors alike.

Rather than being a flat fee, it would be a percentage of the visitor's total spend, with proponents saying the money raised could be ring-fenced for tourism-related spending. The rules published so far, however, will allow mayors and strategic authorities to decide how levy revenues are spent.



The government consulted on the introduction of an overnight visitor levy between November 2025 and February 2026 and has decided to implement its consultation outcome document.

It will bring a bill to Parliament 'in due course' to introduce the levy.

All mayoral and foundation strategic authorities in England will be able to introduce an overnight visitor levy, subject to consulting locally and giving businesses advance notice of its introduction and any changes.

It will apply to all short-term visitor accommodation although there can be local exemptions for charitable accommodation, campsites or shelters. To avoid confusion for visitors and businesses, exemptions for localities will not be allowed.

Accommodation providers will be liable for the levy that will be paid through a self-assessment process. It's up to these providers to pass on the levy to their customers or not. Local authorities will oversee both tax collection and regulation.

Community groups invited to apply for £2.5m funding

Community organisations across England will be able to bid in the next wave of the Common Ground Award. The Common Ground Award 2026 - 2027 is a competitive grant fund providing capital investment to organisations in England.

The award provides up to £2.5 million for projects, groups and organisations to bring people together and transform their community. It was first launched last year and is now open to a second wave of applicants.

It backs groups that know their communities and are already helping people from different backgrounds meet, mix and build trust.

One example could be turning a tired community building into a more welcoming hub, buying equipment so more people can take part in local activities, or creating spaces where neighbours can meet, talk and bridge divides.

The next round will provide up to £2.5 million in funding, with individual applicants able to bid for between £20,000 and £50,000 to improve the facilities, spaces and equipment that help them continue delivering vital work in their communities.

Groups of organisations working together can also apply for grants of up to £250,000, helping them increase their impact.

Individual organisations can apply for £20,000 to £50,000. In exceptional cases, applications may be considered up to £100,000 where there is clear evidence of need and significant expected impact.

Consortium applications can apply for between £100,000 and £250,000.

The fund supports capital costs only, including the construction or renovation of facilities, spaces and equipment that enable organisations to bring people from different backgrounds together.

The prospectus for the 2026-27 fund can be found here:
https://www.gov.uk/government/publications/common-ground-award-2026-to-2027-prospectus

And in other news ...

Talk to the government's cyber security experts

The government's cyber security officials are offering businesses the opportunity for direct contact with them through a webinar.

With the recent government shake-up, the UK's cyber security experts have moved from the Department for Science, Innovation and Technology (DSIT) to the new Department for Digital, Culture, Media and Sport (DCMS).

The webinar is designed to give businesses the opportunity to hear from the cyber security team about how its work is developing, ongoing partnerships with other parts of government and how you can influence policy development.

It's a 45-minute session, with opportunities for questions. If you're interested in attending, respond to the online form.

https://forms.cloud.microsoft/Pages/ResponsePage.aspx?id=BXCsy8EC60O0l-ZJLRst2IUDd28JRz1Ft7H72Z72iehUOUZQRzlRQVQ2WjJUQ1c0RElCQ1ZYVzVISy4u

Date: Thursday 24 September, Time: 3 pm to 3:45 pm

FTSE bosses rake it in

New research shows that average payments to FTSE 100 chief executives were more than £5 million this year. Advisory firm WTW (formerly Willis Towers Watson) reported that the median total remuneration for the bosses was £5.1 million, up from £4.6 million in 2025.

The increases follow several years of more restrained pay levels for senior executives, with proponents arguing the higher remuneration packages were needed to compete with high levels of pay found in the USA, in particular. According to WTW, in the decade before 2020, pay averaged between £3 and £4 million.

Activist investors and shareholder advisers had been vociferous in opposing high pay rates, but the past few years had seen fewer objections and votes against large pay packets.

Trading in Jersey?

Trademarks registered in the UK will no longer cover the island of Jersey from August 1st. Should your business regard your trademark as important and you trade heavily with Jersey, now is the time to take action.

For a company's trademark to apply, it must now be selected separately.

Do you know about the 159 service?

As online and telephone fraud rockets, employers and employees are being reminded of the 159 dedicated telephone number for helping people to safely contact their bank.

Launched in 2021, the service has received more than one million calls and provides a simple route for people receiving unexpected calls about financial matters to end the conversation and independently contact their bank.

The warning comes as the latest UK Finance Annual Fraud Report reveals criminals stole £1.28 billion through payment fraud during 2025, up 4% year-on-year. Authorised Push Payment (APP) fraud alone accounted for £576.4 million in losses, including £75.6 million in business losses.

Please do contact us if you would like to talk about any of the articles. We are here to support you and your business!

Written 18 September 2026