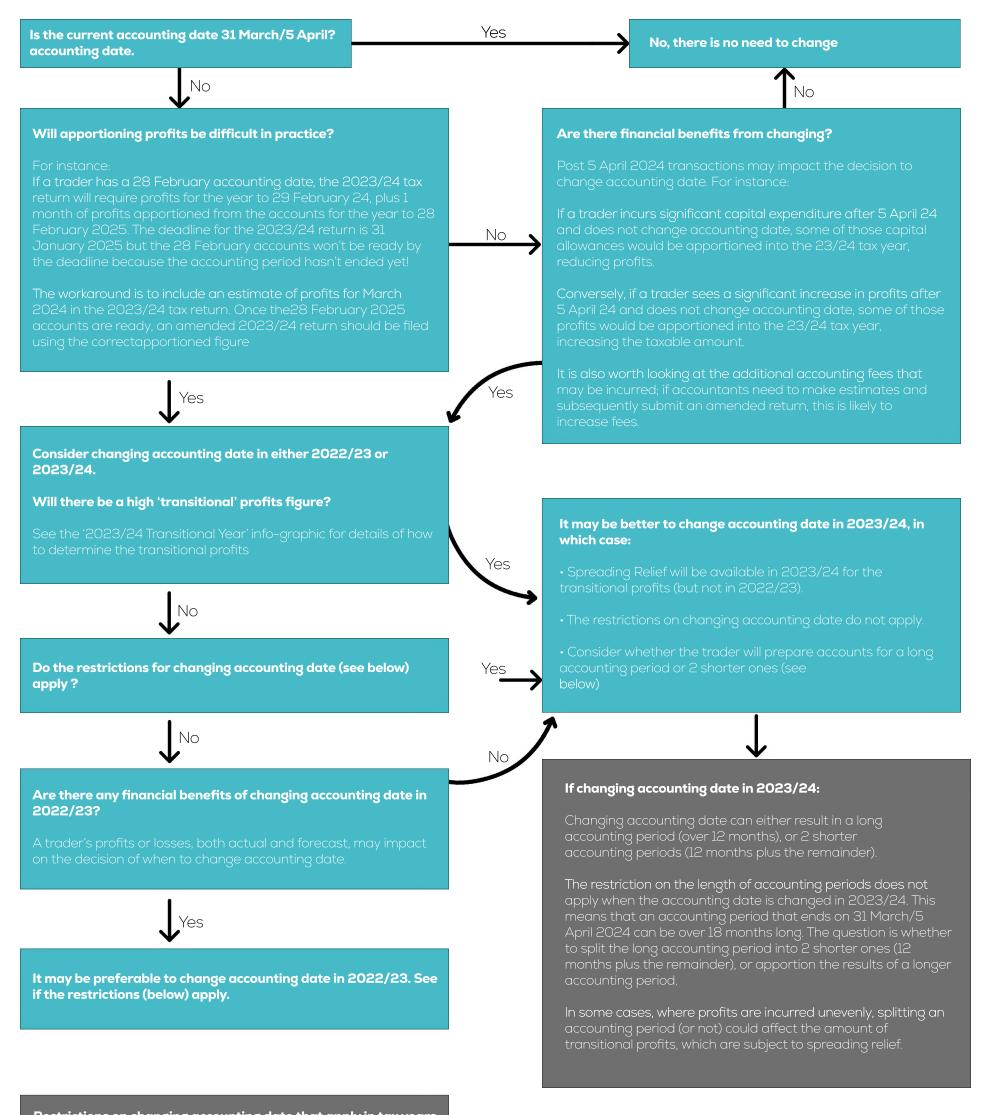
Basis Period Reform: Should I Change Accounting Date?



The question of whether to change accounting date is all the more important due to Basis Period Reform. There are advantages and disadvantages of changing, and how the change is implemented can impact a trader's tax position. Unincorporated businesses may have their own reasons for changing accounting date, but below is a decision tree incorporating the key things to consider when deciding why, when, and how an unincorporated business should change its accounting date.





Appropriate notice of the change must be given to HMRC. The accounting period to the new accounting date must not b more than 18 months long. Either:

- The accounting date cannot have been changed in the last 5 tax years. or
- If it has been changed in the last 5 tax years, the accounting date is being changed for valid commercial reasons, not for tax savings.

