the liability relates.

Only 'very large companies' are affected by the changes and these are defined in the regulations as companies whose annual taxable profits exceed £20m. This threshold is adjusted if the company is a member of a group or has an accounting period shorter than 12 months. For companies with annual taxable profits of £20m or less, payment dates will not change.

Payments of the bank levy by financial services companies or ring fence corporation tax (CT) by oil and gas companies will be unaffected by these changes. However, all other CT payments, including the bank CT surcharge, will change to the new dates.

The key impact of these changes for companies classed as very large under the new rules will be on cashflow. Not only will QIPs now be payable earlier on a regular basis, but in the first year the new regime will be applicable, the first instalment payment will be due before the final instalment of the previous accounting period subject to the old regime, and only two months after the third instalment. Businesses should make sure they are prepared for the implications this may have on cashflow. In addition, forecasting taxable profits at such an early stage in the accounting period may cause issues for businesses, especially those with fluctuating profits.

Another important issue arises for those businesses that are operating close to the £20m threshold. Where a company's annual taxable profits exceed £20m for the first time it will fall immediately into the new regime for that accounting period, i.e. there is no 'period of grace' allowing commencement from the following accounting period. This means growing businesses approaching the threshold will need to monitor the position carefully. ■

Wendy Williams & Jay Ayrton, KPMG (KPMG's Tax Matters Digest)

Temporary tariff regime for no-deal Brexit

A radical change to trade policy.

It's a sign of the times when announcing the biggest change in the way in Britain's trade policy for 45 years doesn't get top billing on the news. But that's what happened this week: without a Brexit agreement, in just over two weeks' time, importers will pay no tariff on 87% of the goods imported into the UK by value.

There are two very significant points to make from the new rules, which run for up to 12 months, while a full review is undertaken.

First, this is a radical change. Brexit Secretary Stephen Barclay this morning billed this as a 'modest liberalisation' but it feels like anything but. Whether the reasoning was a preference for free markets; to soften the blow of 'no deal' to consumers who have been used to tariff-free EU goods; or to spell out for MPs the consequences of no deal, the UK chose not to replicate current EU tariff schedules and instead said it would sweep away tariffs on all but a handful of sectors – most notably some goods produced by the agricultural, automotive, textile and ceramic industries.

The only other major economy to have taken a similar approach in recent years is Singapore and it will be interesting to see what approach the UK takes when it is pursuing free trade deals after Brexit. For some countries there would be little upside in striking one if they already have near-complete tariff-free access to the UK already.

Who are the winners? European exporters who I've spoken to today are relieved frankly. They still face some longer lead times and costs in customs declarations, but they have escaped a tariff hit and would be able to continue largely as before. In the same vein, UK importers who might have been paying a tariff on, say, chemicals products from the US would see that bill reduced to zero.

But for a lot of UK producers the implications are serious. Many would face cheaper foreign competition while suddenly also confronting tariffs to access the EU market for the first time. Even those who retain some tariff protection against cheap imports, like meat producers, are likely to see these markets take a big hit.

The second significant point in today's announcement relates to what happens to goods which do still attract a tariff such as cars or beef and the rules concerning trade across the Irish land border. To avoid imposing a hard border, the plan says these import tariffs will 'not apply to goods crossing from Ireland into Northern Ireland'.

On the face of it, that means a company exporting textiles from Turkey into the UK could now route them via Dublin, across the border to Belfast and from there ship them to England or Wales – tariff free. For companies importing high-value goods and which face a sizeable tariff, it might be worthwhile reconfiguring supply chains, if the rule were to be confirmed.

Advice for UK importers? Analyse the relevant tariff schedules on intermediate and final goods. Importers of Italian shirts face a tariff hike but importers of US-made chemicals could see their customs bill drop. Whether you've been paying tariffs or not historically, the plan evens out treatment of EU and non-EU product. Should you now source from beyond the European Union?

Advice for all producers of physical goods in the UK? Understand what tariff protections you have had against imports up to now and whether that protection remains. ■

Oliver Sorgniard, KPMG's UK director of indirect tax and customs