

SHARING MORE DATA WITH HMRC: AIRBNB, EBAY, VINTED, AND OTHER APPS UPDATE INFORMATION EXCHANGE

Individuals engaged in online activities through UK based online platforms like Airbnb, eBay, and Vinted can expect increased attention to tax compliance this year.

Starting from 1 January 2024, companies like Vinted, Airbnb, and eBay are now mandated to collect and share transaction details with HM Revenue & Customs ("HMRC"). This enables HMRC to identify those who should be declaring additional income but aren't.

HMRC already had the authority to request information from UK-based online operators, but new rules, which are now in effect from January 2024, are part of a global initiative to combat tax evasion. HMRC will be able to exchange information with other tax authorities and vice versa. The UK government is confident that these rules will aid in cracking down on tax evasion, treating sellers on digital platforms more akin to traditional businesses.

From 1 January 2024, digital platforms are required to collect and report seller information and income to HMRC and the seller themselves. These digital platforms must report the information by 31 January 2025. This will include details such as tax ID, bank account information, and the value and volume of transactions for sellers with significant activity.

For those already paying tax, no changes are needed. Individuals with gross income which is covered by the £1,000 tax-free trading allowance (e.g., from activities such as tutoring, gardening, or selling new/second-hand items online) may not need to file a tax return, but record-keeping is advised.

CavanaghKelly's team of tax experts are available to assist with navigating these new regulations and ensuring compliance with tax obligations, if you have any questions, please get in touch on [028 8775 2990](tel:02887752990).



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