

CHANGES TO REPORTING ON TAX RETURNS

NEW RULES FOR COMPANY DIRECTORS

From the 2025–26 tax year, HMRC is introducing new reporting rules for company directors. This means that when you complete your Self-Assessment return for that year (filed after 6 April 2026), you will be required to provide more detail than in the past.

The changes are aimed at directors of “close companies”. In simple terms, a close company is one controlled by five or fewer shareholders, or by its directors. Most family companies and owner-managed businesses fall into this category, so the new rules will affect the majority of our clients who are directors.

WHAT YOU WILL NEED TO REPORT

When you file your Self-Assessment return for 2025–26 onwards, HMRC will require you to provide:

- The company’s name and registered number
- Confirmation that the company is a close company
- Confirmation that you were a director during the year
- The amount of dividends you received from the company, even if the figure is nil
- The percentage of share capital you held, and the highest percentage held in the year if this changed

These details are in addition to the normal reporting of salary, dividends and other income that already forms part of the Self-Assessment process.

WHY THIS MATTERS

The new rules do not change how much tax you pay, but they will increase the information HMRC holds about directors and their companies. It is likely that HMRC will use this data to cross-check company accounts and dividend distributions more closely. Keeping clear dividend records and up-to-date share registers will therefore become even more important.

WHAT YOU SHOULD DO NOW

We recommend that all clients who are directors begin preparing ahead of time. Make sure dividend paperwork is properly documented, shareholding records are correct, and you can easily provide your company’s registered number. We will update our tax return process to reflect the new requirements and will collaborate with you to ensure your return is completed correctly.

WE CAN HELP

If you would like to discuss how these changes may affect you, or if you want us to review your dividend and shareholding records before the new rules take effect, please contact us. We will be pleased to help you prepare. Contact us on **01753 888 211** or email info@nhllp.com, we are here to help. If you feel this alert could help a business colleague or family member, please feel free to share it with them.