



Keeping you informed

Introduction

Welcome to the fifth issue of Agent Update. Many of the topics relate to the Chancellor's Budget and the implications it has on your clients' financial affairs. Amongst these topics are details on the new higher limit for voluntary disclosure of indirect tax errors, and information on a common approach to penalties for incorrect tax returns across all taxes and duties.

We recognise that not all of the topics covered will be relevant to you. By 'scanning' the brief introduction to each piece, you should be able to identify your own most relevant ones within a couple of minutes and can then click on the link to view the full information.

If there are any other areas you would like to see covered in future issues of Agent Update, or you have any other suggestions, please let us know by visiting the [feedback page](#) and selecting 'Tax Agents section of the Practitioner Zone'.

This month's top articles

[New guidance on the changes to Self Assessment \(SA\) now available online](#)

New guidance has been produced on the changes to SA, providing you with full details including new penalties and changes to paper substitutes.

[Customer Relations Managers \(CRM\) service for Agents to be extended](#)

Following HM Revenue & Customs' (HMRC) pilot project, our CRM service is being extended to cover all Agents in Cardiff, Glasgow, Manchester, Northumbria and Liverpool. This means that if you work in one of these areas, you'll be able to access a dedicated CRM, irrespective of where your clients' tax records are held.

[New framework will improve effectiveness of customer forums](#)

View the principles under which forums will now operate.

Tax

Developments and changes to legislation and allowances relating to UK tax.

HMRC Service

Changes to HMRC services, upcoming HMRC events and guidance.

Consultations

Details of live consultations and response summaries.

Tax

Go to other sections:

[HMRC Service](#)

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Capital Gains Tax (CGT)

[Revised FAQs on CGT Reform now published](#)

Amended FAQs relating to CGT Reform and clearance under section 701 ITA 2007 now clarify what is considered a reasonable rearranging of affairs where a clearance has been given.

Corporation Tax

[New indexation table now available following revised Retail Price Index](#)

The Office for National Statistics published a Retail Price Index of 211.4 for February 2008. You can now view a revised indexation table reflecting this.

[New exclusions announced to qualifying activities within Venture Capital Schemes \(Enterprise Investment Scheme, Venture Capital Trusts and Corporate Venturing Scheme\)](#)

Shipbuilding, coal and steel production are to be excluded from Venture Capital Schemes, affecting money raised on or after 6 April 2008. View details of the changes as announced in the 2008 Budget.

[Following consultation, draft Corporation Tax Bill clarifies legislation](#)

View details of the latest draft of the Corporation Tax Bill, which aims to rewrite the existing legislation to make it clearer and easier to use.

Cross tax

[New penalties for errors in tax returns and documents](#)

A single penalty regime for errors on returns will come into force from 1 April 2009. It will cover VAT, PAYE, NICs, CGT, IT, CT and CIS. A Compliance Handbook with guidance on the legislation is now available online.

[New statement clarifies Advance Thin Capitalisation Agreement covenants](#)

In response to requests for Agents working in this area, we have released a statement clarifying HMRC's policy regarding breaches of the Advance Thin Capitalisation Agreement (ATCA). It sets out what will happen if a covenant is breached and how such breaches will be handled.

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Inheritance Tax (IHT)

Admin burden reduced for some taxpayers

View draft guidance on the [Excepted Transfers & Terminations](#) and [Excepted Settlements](#) regulations, which will excuse certain taxpayers from making an IHT return.

Money Laundering Regulations (MLR)

[Make sure you are up to date with Money Laundering Regulations 2007](#)

HMRC is keen to help businesses register with us under the Money Laundering Regulations 2007 and keep up to date with the latest information and guidance.

[Registration deadline for Trust and Company Service Providers \(TCSPs\) extended](#)

You now have until 31 May to send us your application to register. You can view important guidance updates here.

PAYE

[Employer Annual Returns deadline imminent](#)

Employer Annual Returns are due by 19 May. You can view help on how to send returns online here, including details of the changes in messages where the P14s and P35 are sent separately.

[Help employers claim their tax-free payments for filing online](#)

Find full guidance to help your clients claim their online filing payments, either through 'self-serving' or applying for a cheque.

[Updated Employer CD-ROM 2008 issued from 14 April to all Agents and employers](#)

The updated version of the 2008 CD-ROM now includes an Expenses & Benefits dispensation 'wizard', an interactive SSP2 and an 'export diary to spreadsheet' function.

[Video podcast - an introduction to employer online filing](#)

This 5-minute video provides an introduction to HMRC's online service for filing End-of-Year Employer Returns. It is targeted at employers with fewer than 50 employees, who are not obliged to file online.

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Residence and Domicile

[Important changes to the Residence and Domicile rules](#)

Changes to the Residence and Domicile rules were published in the Finance Bill of 27 March this year. View a summary of the details and ensure you are ready to advise your clients.

[New FAQs added for Residence and Domicile](#)

Additional information has been added to the section on the HMRC website, including details of the new rules.

Self Assessment (SA)

[Important information for holders of Offshore Bank Accounts](#)

The Offshore Disclosure Facility period, which HMRC offered to help offshore account holders to get their tax affairs up to date, has now ended. View guidance on your clients' liabilities here.

[Changes to SA - mailshot to Agents](#)

A leaflet has been sent to 75,000 Agents to highlight the SA changes, supported by detailed online guidance.

[New guidance on the changes to SA now available online](#)

New guidance has been produced on the changes to SA, providing you with full details including new penalties and changes to paper substitutes.

[Stephen Banyard discusses SA changes on our latest podcast](#)

Download the latest HMRC audio podcast, featuring Stephen Banyard, Director of HMRC's Business Customer Unit, discussing the forthcoming changes to Self Assessment filing deadlines.

[Online Services roadshows: ensuring you get a place](#)

Due to their popularity, if you are planning to attend one of our roadshows, please book early. We can only offer a maximum of three places per practice per event. Please do not attend unless you have made a booking. If you have not received confirmation of your booking one week prior to the event, please e-mail us and we will get back to you.

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[Downloadable 2007/08 SA Returns Forms and Helpsheets now available](#)

You should have received the *2007/08 Self Assessment Tax Returns Guide* ('Big Book'), which contains the information that most Agents find useful incorporated into one volume for the first time. Some items, such as Helpsheets, are no longer available in the Big Book and must be downloaded online. If you would like to view more details on the changes to the Guide please [click here](#).

[Details of changes to the Main Tax Return \(MTR\) now available](#)

View a detailed list of the changes and ensure you are thoroughly informed. Online versions of the *2007/08 Self Assessment: Tax Return Forms, Notes and Helpsheets* are available to view or download.

VAT

[Increase announced to the limit for the disclosure of errors on indirect tax returns](#)

From 1 July 2008 the limit for the disclosure of errors on indirect tax returns will be increased to £10,000.

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HMRC Service

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Contacting HMRC

[Guide on 'How To Contact HMRC'](#)

For those who have not previously seen the guide, this is available on the Tax Agents and Advisers pages and provides advice on the best ways to contact us.

Cross tax

[New information on extension of clearances](#)

From April 2008 we will be changing the way we implement clearances, including how clearance applications should be submitted and the supporting documentation required. Important information for agents representing businesses can be found here. Please [click here](#) for an overview of Extensions; [click here](#) for Guidance notes; [click here](#) for Background to Extensions.

[Government's approach to compliance set out](#)

View the latest information on the principles we have developed to facilitate compliance, released as part of Chancellor's 12 March 2008 Budget.

Customer Relations Managers

[Customer Relations Managers service for Agents to be extended](#)

Following HMRC's pilot project, our Customer Relations Managers (CRM) service is being extended to cover all Agents in Cardiff, Glasgow, Manchester, Northumbria and Liverpool. This means that if you work in one of these areas, you'll be able to access a dedicated CRM, irrespective of where your clients' tax records are held.

HMRC website

[New services for Tax Agents and Advisers](#)

The HMRC website is being updated to make it easier for you to find the services you need. Services will include new 'Find a Form' and 'Find a Contact' functions. Look out for the new and improved website coming soon and view more information about the changes here.

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HMRC Service

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Inheritance Tax (IHT)

[IHT proposals announced](#)

View details of the proposals contained in the Budget in the April 2008 edition of IHT & Trusts Newsletter. Also included is the latest practical advice when claiming the transfer of unused nil rate band.

Online service availability

[Find out about online service availability](#)

Get the latest updates on services issues and view our recommendations on what to do if this affects you.

Pension Schemes

[Change of phone number for Pension Schemes Services Helpline](#)

The Pension Schemes Services Helpline number has changed to 0845 600 2622. The new number is part of a series of improvements we are making to the service.

PAYE

[Employer Bulletin issue 29](#)

Includes helpful and up-to-date articles about completing returns, online filing and other payroll information.

Reducing admin burdens

[Improving the SME customer experience of HMRC](#)

View an update on our progress towards reducing administrative burdens for Tax Agents and SME businesses.

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Working Together

[View the latest publication, including details on a new team dedicated to improving our service to you](#)

A new HMRC Agent and Employer Service Improvement team has been formed, looking specifically at how we work with Tax Agents. Find out more about their work in the latest issue of Working Together.

[What's New](#)

View the latest Agent-related issues including an update on HMRC's office reorganisation.

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Consultative forums

[Online details of consultative forums consolidated](#)

View a full list of current forums and the principles under which these operate.

Enterprise Investment Scheme

[Proposals for increasing accessibility - closes 20 June 2008](#)

This consultation will examine the rules and processes governing the scheme, and explore how it may be made more accessible, both to investors and companies seeking finance.

National Insurance Contribution

[Improving collection from the self-employed - closes 6 June 2008](#)

Your views are sought on ways to improve the collection of National Insurance from the self-employed.

PAYE

[Improving processes for student PAYE - closes 16 May 2008](#)

This consultation document explores ways in which PAYE processes for correctly taxing students could be improved for employers with students in their workforce.

Direct Tax

[Internal review of appealable decisions](#)

Following the PBR 2007 consultation it was announced at Budget that HMRC will introduce a system of internal review of all appealable decisions from the time the new tax tribunals start in 2009. The review will be a statutory requirement but will be at the request of the appellant. A trial is being run in the direct taxes from April 2008.

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Disclosure of Tax Avoidance Schemes

[Responses to Disclosure of Tax Avoidance Schemes consultation](#)

A very positive consultation has resulted in some constructive changes to the legislation, announced in the Budget 2008. These include ways to improve the identification of users of tax avoidance schemes.

Gift Aid

Gift Aid

Following the recent Treasury-led consultation on Gift Aid, major changes have been announced – the first since 2000. These affect the way that repayments are presented and claimed, and introduce a new Transitional Relief with time limits and a new way of handling audits. View guidance on the changes, as outlined in the Budget 2008. For Transitional Relief [click here](#), for other changes [click here](#).

Modernising Powers, Deterrents and Safeguards

[Responses to Modernising Powers, Deterrents and Safeguards](#)

View a summary of the responses received to the three consultation documents published on 10 January 2008: *Penalties Reform, Compliance Checks, and Payments, Repayments and Debt*.

Residence and Domicile

[Residence and Domicile consultation: what you told us](#)

The responses to our recent consultation, *Paying a Fairer Share: A Consultation on Residence and Domicile*, have now been collected.

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Staff Hire Concession

[Responses to the Review of Staff Hire Concession](#)

View a summary of the responses received to the *Review of Staff Hire Concession*, which addresses issues such as VAT treatment of employment bureaux.

Tax Appeals

[Responses to the 'Tax appeals against decisions' consultation](#)

View a summary of the responses to the consultation document *HMRC and the Taxpayer: Tax Appeals against decisions made by HMRC* which was published on 9 October 2007.

VAT Transfer

[Responses to VAT Transfer of a Going Concern \(TOGC\) consultation](#)

Following further consultation after publication of the interim responses document in August 2005, you can now view a summary of HMRC's final comments and proposals on the responses received.

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