



Keeping you informed

Introduction

Welcome to the fourteenth edition of Agent Update. In this edition we feature updates to a number of important manuals, including the International Manual and Corporate Finance Manual, and information on how customers should implement the return of the standard VAT rate to 17.5%.

As ever, we recognise that not all topics will be relevant to you. By 'scanning' the brief introductions to each piece, you should be able to identify the topics that are relevant to you within a couple of minutes. You can then click on the link to view the full information.

Don't forget to register with us, you can now sign up for email reminders as each edition is published. To do so please see the link below:

[Sign up to receive email reminders of future issues of Agent Update](#)

This month's top articles

[VAT reversion to 17.5% - a guide for businesses](#)

A guide for VAT-registered businesses on how to implement the return of the standard VAT rate to 17.5% on 1 January 2010.

[Joint filing of HMRC and Companies House Returns - latest position](#)

HMRC and Companies House are developing an optional joint filing facility.

[New information on inaccuracy penalties](#)

An e-learning module is available to help agents and taxpayers understand how the new penalties for inaccuracies will affect them. This system is being extended to Environmental Taxes, Excise Duties, Inheritance Tax, Insurance Premium Tax and Stamp Duties.

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

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Tax

Capital Gains Tax (CGT)

[Revenue & Customs Brief 60/09 - questions arising from Revenue & Customs Brief 30/09](#)

This Brief addresses questions we have received concerning the practical implications of Revenue and Customs Brief 30/09: Shares acquired before 10 April 2003 by exercising employee share options – allowable deductions.

Compliance Checks

[Revenue & Customs Brief 54/09 - Resolving disputes about when documents are covered by legal privilege](#)

HMRC has published new regulations about whether information it has requested through an information notice can be withheld due to legal professional privilege. This Business Brief explains the new system to resolve disputes.

Corporate Finance Manual

[Updated Corporate Finance Manual](#)

HMRC's Corporate Finance Manual now includes rewritten legislation in the Corporation Tax Act 2009.

Corporation Tax (CT)

[Corporate Intangibles and Research and Development Manual \(CIRD\)](#)

The CIRD Manual has been updated following amendments to Part 8 of the CTA09 made by S70 FA09. Updates are outlined in the CIRD's index and include a new page at CIRD48290.

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Employer Bulletin

[Employer Bulletin - issue 33](#)

The latest Employer Bulletin includes an update on the increase in National Minimum Wage rates, paying PAYE on time and the launch of a new PAYE Service.

Employment Income

[Employment income - Seafarers' Earnings Deduction \(SED\)](#)

Following a decision of the First-Tier Tax Tribunal issued on 18 June 2009, HMRC revised its interpretation of the distinction between 'offshore installation' and 'ship' for SED.

Inheritance Tax

[Inheritance Tax and Trusts Newsletter - now available](#)

The latest Inheritance Tax and Trusts Newsletter describes how to use the HMRC Probate & Inheritance Tax Helpline. It alerts readers that the Taxpool Calculator is now available and that Pre-return support for agents is available.

Insurance Premium Tax (IPT)

[Revenue & Customs Brief 47/09 - closure of loophole in IPT](#)

Brief 47/09 explains the closure of the premium splitting avoidance loophole in IPT, following the High Court decision in the case against Homeserve and on HMRC's treatment of claims.

Interest Rates

[New interest rates](#)

HMRC has announced new interest rates paid on late payments and charged on overpayments.

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International Manual

[Updated International Manual](#)

The International Manual has been updated in several areas, including new material for financial institutions explaining how HMRC calculates branch capital requirements under the Basel II framework. Please see the website for all updates to the manual.

Liechtenstein Disclosure Facility (LDF)

[Details of the terms of the LDF are now available](#)

Additional Frequently Asked Questions (FAQs) for taxpayers and agents regarding the LDF have been added to the HMRC website.

Money Laundering Regulations (MLR)

[News for money transmitters registered under the MLR 2007](#)

The Payment Services Regulations (PSRs) apply from 1 November 2009. Anyone providing payment services (including money transmission) as a business must be authorised by, or registered with, the Financial Services Authority (FSA). Providing unauthorised or unregistered payment services is a criminal offence. HMRC retains responsibility for anti-money laundering supervision of money service businesses. Money transmitters supervised by HMRC for money laundering regulation must also apply for registration/authorisation with the FSA under the PSRs.

[Free MLR business advice open days](#)

MLR staff will present a seminar about the requirements of MLR 2007 and advise how businesses can meet their responsibilities – see website for dates and locations.

[Announcement about MLR Online Register](#)

A letter was sent to money service businesses (MSBs) asking them to ensure their details are correct in preparation for an online registration check.

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New Disclosure Opportunity

[New Disclosure Opportunity - the deadline for notifying intention of disclosure is 30 November 2009](#)

A last chance is offered to people with offshore accounts and assets to notify HMRC about their tax or duties.

New Penalties

[New information on inaccuracy penalties](#)

An e-learning module is available to help agents and taxpayers understand how the new penalties for inaccuracies will affect them. This system is being extended to Environmental Taxes, Excise Duties, Inheritance Tax, Insurance Premium Tax and Stamp Duties.

Offshore Funds Manual

[New Offshore Funds Manual](#)

A new manual has been drafted setting out new rules for UK taxpayers with offshore funds. It explains the Finance Act 2009, along with regulations due to be considered by Parliament this autumn. Guidance for fund industry managers and how UK residents are taxed on overseas holdings is provided.

PAYE and CIS Payments

[New penalties for late in-year PAYE payments](#)

From May 2010, we intend to implement new penalties for late payment of employer PAYE, including Income Tax, NICs, Construction Industry Scheme and Student Loan Deductions. From then on, employers and contractors may have to pay a penalty if they do not pay the PAYE due each month, on time and in full.

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Statutory Payments

[Additional Statutory Paternity Leave and Pay \(APL&P\)](#)

APL&P is expected to apply to fathers of children due on or after 3 April 2011. Similar provisions will apply in the case of children matched for adoption on or after 3 April 2011. The consultation document on the draft regulations was published on 25 September 2009 by BIS.

VAT

[VAT reversion to 17.5% - a guide for businesses](#)

A guide for VAT-registered businesses on how to implement the return of the standard VAT rate to 17.5% on 1 January 2010.

[Anti-forestalling legislation on the reversion of the standard VAT rate to 17.5%](#)

Anti-forestalling legislation has been introduced to prevent VAT avoidance as the standard rate returns to 17.5%. Guidance on the new legislation is available online.

[VAT: emissions allowances have been zero rated since 31 July 2009](#)

In order to prevent VAT fraud, all emissions allowances (also known as carbon credits) have been zero rated since 31 July 2009. This information is important for traders, brokers and other intermediaries dealing in emissions allowances.

[Revenue & Customs Brief 59/09 - HMRC position following the High Court Judgment in Insurancewide/Trader Media Group](#)

This brief sets out HMRC's position following the High Court Judgment in the case against Insurancewide.com Services Limited and Trader Media Group Limited.

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[Revenue and Customs Brief 57/09 - policy on the VAT partial exemption 'payback' rules](#)

This Revenue & Customs Brief confirms HMRC policy on VAT partial exemption 'payback' rules following the High Court decision in the case against the Community Housing Association.

[VAT and Excise](#)

[Revenue & Customs Brief 52/09 - guidance on VAT and Excise wrongdoing penalties](#)

From 1 April 2010 there will be penalties for issuing an unauthorised invoice showing or including VAT, misusing a product so that a higher rate of excise duty is payable, supplying a product knowing that it will be used in such a way, or handling goods subject to unpaid Excise Duty.

[Working Together \(WT\)](#)

[Read the latest WT Publication](#)

WT Publication 37 includes an update on IT related fraud, the new WT model and how to pay Self Assessment.

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HMRC Service

Corporation Tax (CT)

[HMRC is reorganising its CT work and transferring records to new offices](#)

Clients' records in East Herts and West Essex have moved to a tax office in [Brighton](#)

Clients' records in Bristol, Devon, Oxon & Bucks, Cornwall, Somerset, W Lancs and Worcester have moved to a tax office in [Merthyr Tydfil](#)

[The CT Marginal Rate Relief \(MRR\) calculator now updated](#)

The MRR calculator has been updated so that most companies and organisations can use it to calculate any relief on CT that is due.

Joint Filing Facility

[Joint filing of HMRC and Companies House Returns - latest position](#)

HMRC and Companies House are developing an optional joint filing facility.

Learning Together

[Venues for our Learning Together events announced](#)

The first Learning Together events have been well received. Some places are still available. Find dates, locations and booking information for Learning Together events near you.

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Online Security

[HMRC 'phishing' scams](#)

To make sure that your electronic security settings are up to date, and to guard against malicious online attacks such as 'phishing' scams, please look at this guidance on IT related fraud.

Online Services

[Further improvements to the Corporation Tax \(CT\) pages](#)

The updated CT pages provide additional help and support on a number of subjects including guidance for unincorporated organisations liable for CT, Marginal Rate Relief and Capital Allowances. HMRC is continuing to make improvements to its website, making the information and guidance easier to find and understand.

PAYE

[Issues affecting the National Insurance and PAYE Service \(NPS\)](#)

Information is available online for agents on the current issues affecting the NPS Online Services.

[New PAYE Desktop Viewer \(PDV\) application for agents and employers](#)

PDV is a new application developed from feedback received from employers and agents where the existing product Data Provisioning Service (DPS) Portal Viewer was found not to meet their needs. The application allows you to view, search and sort online PAYE codes, notifications and reminders. For further details on how to access and use the tool, please read the online guide.

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Self Assessment (SA)

[Changes to the SA registration process for customers who are not self-employed](#)

Non self-employed customers will now be registered for SA at the Central Agents Authorisation Team in Longbenton rather than in local offices. A new form – SA1 – is available to help customers to register.

Tax Credits

[How HMRC handles Tax Credit overpayments](#)

A new leaflet is available to download and print for intermediaries and advisers who help and advise clients with Tax Credits.

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[Equality Impact Assessments \(EQIA\) - closes 30 October 2009](#)

HMRC carries out an EQIA on existing and new policies with potential equality of opportunity implications. This page includes all current EQIAs – HMRC welcomes comments.

[Simplification of the Transactions in Securities legislation - closes 30 October 2009](#)

Last chance to comment. This consultation seeks views on a package of proposals to simplify and clarify the existing Transactions in Securities legislation.

[Simplifying Unallowable Purpose Tests - closes 30 October 2009](#)

Last chance to comment. This discussion document seeks views on how Unallowable Purpose Tests could be simplified to conform to the anti-avoidance simplification review. It also sets out Unallowable Purpose Test guidance.

[Review of Powers, Deterrents and Safeguards](#)

This website page includes full details of the Powers, Deterrents and Safeguards programme, including links to consultation documents, impact assessments and response documents. Previously published articles are now all in this single location.

[Tax Law Rewrite project](#)

This website page includes details of the Tax Law Rewrite project, including links to consultation papers, response documents and draft legislation. Previously published articles are now all in this single location.

[Announcement about the closure of the Money Laundering Regulations Fee Review](#)

The Money Laundering Regulations Fee Review is now closed. HMRC is grateful for the enthusiastic response and is considering the comments. Details of this consultation to be published before the end of the year.

[List of all draft legislation available](#)

A list of HMRC's draft legislation is now available in one location.

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