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## Keeping you informed

### Introduction

Welcome to Agent Update 62. This edition includes a comprehensive article on Tax and Duty fraud and why agents should take an interest. You can read about the online filing requirements for company tax returns and the Pensions Regulator explains automatic enrolment duties for new employers.

The Working Together section includes information on the growth of the Agent Forum and how you can register for a special Talking Points meeting on its operation. There is also an update on Making Tax Digital for Business, and news about the new Trust Registration Service.

If you would like an email reminder when each edition of Agent Update is published, use the link below.

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

If you have any comments about Agent Update please [contact the editor Peter Smith](#).

### Tax

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

### HMRC service

Changes to HMRC service, upcoming HMRC events and guidance.

### Consultations

Details of live consultations and response summaries can now be found in the 'Service' section.

### Talking Points

The latest news and details of up and coming meetings and how to register.

### Working Together

Latest updates from the partnership between HMRC and the six main agent representative bodies.

### This month's top articles

#### Paying HMRC by personal credit card

From 13 January 2018 HMRC will no longer be accepting payments made from personal credit cards.

#### Support for mid-sized business

HMRC recently launched a dedicated tax support service for growing mid-sized businesses.

#### Simple Assessment

This is an important part of our plan to make the tax system simpler for individual customers, particularly SA customers.



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## Compliance

### The Fulfilment House Due Diligence Scheme is coming

Businesses that store any goods imported from outside the EU on behalf of others will need to know about the new Fulfilment House Due Diligence Scheme. From 1 April 2018, these businesses will need to apply to be approved by HMRC. There are penalties for late applications.

Businesses that **only** store or fulfil goods that they own, or **only store or fulfil** goods that are not imported from outside the EU, are not required to register.

The scheme was announced by the government at Budget 2016 as part of a package of measures to combat non-compliance by some overseas suppliers of goods. Many overseas suppliers - who often trade online - make use of UK-based fulfilment businesses to import, store, pack and/or deliver the goods.

The Fulfilment House Due Diligence Scheme will enable HMRC to identify and tackle non-compliant overseas suppliers more easily and will make it more difficult for them to trade in the UK. This will be fairer for the many legitimate and compliant businesses trading in the UK that pay the VAT and customs duty that they owe.

HMRC will check applications to ensure that businesses are 'fit and proper'. From 1 April 2019, fulfilment businesses that are approved will need to undertake due diligence checks on their overseas customers and maintain records about the goods they store.

Further information will be published on GOV.UK in due course.

## Generally accepted accounting practice (GAAP)

HMRC has provided guidance on the changes to GAAP in the UK, which is used to prepare financial statements. The guidance provides an overview of the key accounting changes and the key tax considerations that arise for those businesses that transition from old UK GAAP to the new standards. HMRC recently added new guidance for micro-businesses reporting under Financial Reporting Standard (FRS) 105, which supplements the existing guidance for the larger-sized businesses applying FRSs 101 and 102.

When a new accounting standard is first applied, there can be one-off (transitional) adjustments in the accounts, as well as ongoing changes to the recognition and/or measurement of items in the accounts. Both of these types of adjustment can have tax consequences. The guidance in the papers is intended to support businesses and their agents through these changes. For small and micro businesses, the accounting changes apply for accounting periods commencing on or after 1 January 2016 - so for 31 December 2016 year ends, for which the tax returns will be due 31 December 2017.

You can read the guidance on changes to GAAP on the GOV.UK webpage [Accounting standards: the UK tax implications of new UK GAAP](#).

## Spotlights

These warn agents about certain tax avoidance schemes to be aware of.

[Disguised remuneration: re-describing loans \(Spotlight 39\)](#)

[Income trust schemes: misleading advertising \(Spotlight 40\)](#)

Help HMRC combat organised tax crime.

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## Tax and Duty Fraud

Criminals use various methods to defraud the UK and the EU of tax and customs duties. This is not simply cheating HMRC as any amount lost in the UK impacts on our ability to fund essential public services.

### Onward Supply Relief

This fraud in its simplest form involves obtaining a VAT number and Economic Operator Registration and Identification (EORI) number in the UK, then using them to buy goods from the Far East. The goods are declared to Customs in the UK at an underestimated value, using the customs procedure code CPC 42xxxx, allowing the VAT to be suspended. The goods are then despatched to Other Member State where the VAT should be accounted for (as an acquisition). The goods may go through a complex supply chain before ending with an acquirer who goes missing and defaults on payment. **This is not avoidance; it is theft.**

### Undervaluation fraud

This can involve obtaining an EORI number in the UK, importing goods from the Far East, using false documentation when presenting the goods for customs clearance which understates their value, paying a lower amount of duty and VAT than is actually due and distributing these goods through various routes.

The most common products are textiles, shoes, mobile phones and small electrical goods.

### Why agents should take an interest

The Finance Act 2012 schedule 38, introduced the concept of individual 'dishonest tax agents' and penalty regime. The Criminal Finance Act 2017 part 3 introduced the concept of 'Corporate failure to prevent the criminal facilitation of tax evasion'. In this instance, a corporation can be held liable if it fails to prevent employee's tax evasion offences. This was effective from 30 September 2017.

There is a three stage test to determine liability under the recent Act:

1. has criminally evaded tax
2. has criminally facilitated the offence by creating any record known to be incorrect
3. has failed to prevent their employee criminally facilitating tax evasion

### What businesses can do

Due diligence is important to your clients to; minimise exposure to commercial risk, protect brand integrity and reputation, limit involvement in fraudulent transaction chains and reduce exposure to financial loss. Effective due diligence protects genuine businesses from; being undercut by illicit goods, increases consumer confidence, restores a level playing field and helps to drive fraudulent traders from the market place. Businesses must:

- understand and objectively assess the risks of fraud within the supply chains in which they operate
- put in place reasonable, proportionate checks to identify transactions that may lead to fraud
- have procedures in place to take timely and effective mitigating action where a risk of fraud is identified
- document the checks they intend to carry out and have appropriate management governance in place to ensure that these are carried out

### Supply Chain

Whatever the size or industry of the business, it is the buying and selling functions that drive profit opportunities. This could lead to legitimate supply chains being infiltrated by fraudsters that can affect any business.

A number of very large businesses thought their supply chain was secure but the horsemeat scandal forced them to think again.

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Depending at what stage a business falls in the supply chain and what type of commodity they are dealing with there will be different questions to ask:

**Transport** - Who is carrying the goods? Where have they come from and where are they going? Have they been shipped directly or passed through another country? How have the goods been secured and are they insured?

**Declarations to customs** - Have the goods, their value, origin and quantity been declared correctly? Have they been entered to the correct [Customs Procedure Code](#)? Has the correct amount of duty and/or VAT been paid? Is the evidence to support the declaration readily available?

**Marketing** - Who do they target and what is their strategy? In what other countries do they sell? Is there a 'normal' market and is there a licensing strategy?

**Sales** - Who do they target? Who will they not sell to? How do they sell surplus production? What is their pricing strategy, their product recall strategy and what market intelligence do they use?

### Examples of warning signs:

- newly established, recently incorporated companies with no financial or trading history or those that have suddenly changed course to an unrelated sector
- contacts have a poor knowledge of the market and products yet are always able to access bankrupt or end of line stock at commercially non-viable prices
- unsolicited approaches from organisations offering an easy profit on high-value/volume deals for no apparent risk
- unusual payment instructions, or financial/contractual terms
- contact from individuals with prior history of wholesale trade in 'high value, low volume' goods such as computer parts and mobile phones
- entities trading from residential or short-term lease accommodation and serviced offices
- trader/director uncontactable with an appointed representative in the UK

- companies seemingly unwilling to show you their manufacturing facilities or are difficult to arrange a face to face meeting with

### For further information:

- [Notice 726 - Joint & Several Liability for unpaid VAT](#)
- [Due diligence and risk assessment: HMRC guidance on due diligence](#)
- [HMRC Alcohol Due Diligence learning](#)
- [Notice 252: valuation of imported goods for customs purposes, VAT and trade statistics](#)
- [VAT Notice 702: imports](#)
- [VAT Notice 702/7: import VAT relief for goods supplied onward to another country in the EC](#)

### [What is the Worldwide Disclosure Facility \(WDF\)?](#)

Customers have until September 2018 to use HMRC's WDF to bring their offshore tax affairs up to date. Failure to make a disclosure and pay tax liabilities could lead to tougher penalties, or a civil or criminal investigation. HMRC hosted a live Talking Points meeting on this subject on 31 August 2017. It provided a clear understanding of the technical aspects of the WDF including guidance on the non-statutory clearance process and the impact of "Requirement to Correct" which will help you make a complete and correct disclosure.

[View a recording of this meeting and access the supplementary hand outs and links to relevant guidance.](#)

### [Working to tackle tax avoidance](#)

HMRC endeavours at all times to treat all customers fairly and even-handedly. Find out about HMRC's approach to tackling tax avoidance, how to report a tax avoidance scheme and other relevant information.

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## Corporation Tax

### Company Tax returns - online filing requirements

Since 2011 it has been mandatory to file virtually all Company Tax returns online using Extensible Business Reporting Language (XBRL) tags for accounts and tax computations. The majority of returns that HMRC receives are in the correct format but a significant number are still not.

From 1 November 2017, HMRC will now reject all returns with accounts or tax computations that are not in inline Extensible Business Reporting Language (iXBRL) format unless the directions under [SI 2003/282](#) allow otherwise or a dispensation by HMRC has been granted. We will ask you to re-file them in iXBRL, and if a return is not re-filed by the normal filing date, a late filing penalty may be considered.

To help us process your returns quickly please do not include a covering letter or duplicate information in PDF that is already in your iXBRL documents. However it is important that where you have additional information you need to send us, for example a loss carry-back claim, you continue to send these to us as a PDF attachment.

You can find more information on using XBRL and the correct format to use on the GOV.UK webpage [Corporation Tax online filing and electronic payment](#).

And [Company Tax returns: format for accounts forming part of an online return](#) which details who must submit accounts in XBRL format and who can choose to submit them as a PDF.

## Income Tax

### PAYE

#### Keeping address records up to date

Please make sure that your clients are keeping HMRC updated with any changes to their residential address information. This is vital in helping HMRC determine whether your client is a UK or Scottish tax payer.

If they have moved in the last 12 months, HMRC will need to know their new address and the date that they moved. If they cannot remember this date, an approximate should be used.

Clients can update their personal details using their Personal Tax Account. Please see the GOV.UK webpage [Personal tax account: sign in or set up](#). It only takes a few minutes to register. Alternatively they can visit the GOV.UK webpage [Tell HMRC about a change to your personal details](#).

Only a UK tax resident can be a Scottish taxpayer. To find out more, please visit the GOV.UK webpage [Tax on foreign income](#).

#### Student Loan Plan 1 and Plan 2 threshold increase applying from 6 April 2018

The Department for Education have confirmed that from 6 April 2018 the threshold for:

- Plan 1 loans will rise to £18,330. (currently £17,775)
- Plan 2 loans will rise to £25,000. (currently £21,000)

This will apply to all current and future borrowers when employers make student loan deductions.

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## Pensions

### Automatic enrolment for new employers - what you need to know

From 1 October 2017, if your client is employing someone for the first time, their automatic enrolment duties will begin on the day their first member of staff starts work. This is known as their 'duties start date'.

If you have clients who have just started employing someone, why not give them a copy of The Pensions Regulator's (TPR) [A5 leaflet](#) on automatic enrolment for new employers? It provides an introduction to their duties and how to work out if they have to put any of their staff into a pension. [TPR website](#) has help, information and webinars so you can find out exactly what your clients need to do, and when.

Do not let your clients risk a fine - help them get to know their workplace pension responsibilities.

## Tax

### Business Tax Account (BTA) updates

In August 2017 we started the roll out of changes to the BTA. An annual statement page was added to improve the accuracy and design of employer PAYE liabilities and payments information.

We built upon these changes in September 2017 and included new monthly statement pages.

By the end of October 2017 further enhancements will allow employers to view the Apprenticeship Levy on the BTA pages.

Some of these changes are a result of user feedback and we will continue to consider further updates based on your feedback. This can be provided using links on the BTA pages.

### Reimbursed employee expenses

A reminder for customers who restricted an Research & Development (R&D) tax relief claim by following the [note we issued](#) after the 8 October 2014 R&D

Consultative Committee meeting. You have until 31 January 2018 to make an amended claim for reimbursed employee expenses. Claims can be made by following the procedure shown in the

[Corporate Intangibles Research and Development Manual 83200](#).

### Simple Assessment

Simple Assessment was introduced in September 2017. This is an important part of our plan to make the tax system simpler for individual customers, particularly SA customers. With greater use of existing data, HMRC can now find the information for some of those customers elsewhere without needing them to complete a tax return for 2016-17.

Initially this will include:

- PAYE customers who have underpaid tax in 2016-17 year but cannot have their tax collected through their tax code
- new state pensioners whose state pension is more than the personal tax allowance in the tax year 2016-17 and the tax due cannot be collect through their tax code

Customers will receive a Simple Assessment letter with a request for payment, which they can make online through their Personal Tax Account. The letter will give details of the tax due and the information used to calculate it.

If a customer's circumstances have changed from the information in the letter, then they must notify us within 60 days with the amended figures and any evidence.

There is an appeals process for any disputes that cannot be resolved through this.

Further information can be found in the briefing on the GOV.UK webpage

[Simple Assessment-ending the tax return](#).

### Revenue and Customs briefs

These are bulletins announcing changes in policy or setting out the legal background to an issue. They generally have a short lifespan, as announced changes are incorporated into permanent guidance and the brief is then removed.

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## VAT

### Digitising the VAT Retail Export Scheme (RES)

The Government announced at Autumn Statement 2016 plans to digitise the VAT RES. This is also known as “Tax Free Shopping” and allows non-EU visitors to recover VAT on goods they buy in the UK and take home in their personal luggage. This is currently a paper-based system.

A digital system will improve efficiency of VAT RES both for retailers and travellers and reduce the risk of fraud. HMRC are keen to identify key stakeholders to work with us.

HMRC is already aware of larger retailers and refund providers who use the scheme but are keen to identify any retailers who operate VAT RES on a small scale, to help us understand their needs.

Please let us know by the 17 November 2017 if you wish to be included on the external stakeholder list to [receive further updates by completing this survey](#) or [email the project team direct](#).

## VAT Notices

### [VAT Notice 48: Extra Statutory Concessions](#)

This notice cancels and replaces Notice 48 (May 2015). Details of any changes to the previous version can be found in paragraph 1.1 of this notice.

### [VAT Notice 700: the VAT guide](#)

This notice cancels and replaces Notice 700 (November 2016). Details of any changes to the previous version can be found in paragraph 1.2 of this notice.

### [VAT Notice 700/14: video cassette films - rental and part-exchange](#)

This notice explains how to account for VAT on the supply of pre-recorded video cassette films to the public under rental and part-exchange arrangements.

### [VAT Notice 700/50: default surcharge](#)

This notice explains when you might face a penalty for late payment of your VAT Return, and how it is calculated.

### [VAT Notice 701/8: postage stamps and philatelic supplies](#)

This notice explains which postage stamps are free of VAT and when VAT must be applied to stamps, stamped stationery and other philatelic supplies.

### [VAT Notice 701/22: tools for manufacture of goods for export](#)

This notice explains when you can zero rate supplies of machine tools that remain in the UK and when you cannot.

### [VAT Notice 703: export of goods from the UK](#)

This notice explains the conditions for zero-rating VAT on an export of goods, that is, when the goods leave the European Community.

### [VAT Notice 709/6: travel agents and tour operators](#)

This notice explains how VAT applies to travel agents and tour operators.

### [VAT Notice 714: zero rating young children's clothing and footwear](#)

This notice explains when supplies of children's clothing and footwear can be zero rated.

[See all the VAT Notices listed numerically.](#)

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## Consultations Open

### [Draft legislation: Help-to-Save accounts](#)

This technical consultation seeks comments on the draft Help-to-Save Accounts Regulations 2018.

Closes 27 October 2017.

### [Extra-statutory concessions \(ESCs\) - technical consultation on draft legislation](#)

Technical consultation on draft legislation to preserve the effect of four HMRC ESCs.

Closes 9 November 2017.

### [Making Tax Digital reforms affecting businesses](#)

Proposed secondary and tertiary legislation on Income Tax and VAT affecting Making Tax Digital for businesses.

Closes 10 November 2017.

### [Consultation on the Business Risk Review](#)

A consultation into HMRC's process for risk profiling large businesses.

Closes 6 December 2017.

## Consultations Concluded

### [Withholding tax exemption for debt traded on a Multilateral Trading Facility](#)

This document summarises the responses to the consultation.

### [Landfill Tax: disposals not made at landfill sites](#)

The government has published [draft legislation](#) which has implications for landfill sites operating with, or without, the appropriate environmental disposal permit or licence.

The measure extends the scope of Landfill Tax to disposals made at sites without an environmental disposal permit, and brings clarity to what material is taxable at sites that do have a permit. These changes will be implemented from 1 April 2018 and a policy paper [Landfill Tax: disposals not made at landfill sites](#) is available on the GOV.UK webpage.

Material disposed of at sites without a permit or licence will be brought within the scope of Landfill Tax. In addition to the operator of the illegal site, others in the waste supply chain who are knowingly involved in the disposal, may be jointly and severally liable for the tax. For sites with the appropriate permit or licence, the draft legislation contains changes to the definition of a taxable disposal for Landfill Tax which will bring clarity to the legitimate sector about what material is taxable.

[This technical consultation will close on 25 October 2017.](#)

Agent Update 62 contains all [new open and a summary of responses](#) available when this issue was being published, but please check for any that have subsequently been issued.

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### [HMRC working with Tax agents blog](#)

The blog provides another channel to communicate about:

- joint HMRC and agent consultations
- improvements to HMRC services by working together
- news and updates that are agent specific
- HMRC's Agent Strategy and the rollout of new digital services available for agents

### [Twitter](#)

Tweets cover information about HMRC and tax including; news, publications, information, consultations, speeches and publicity campaigns. Follow us on [Twitter@HMRCgovuk](#)

## HMRC service

### [Complain to HMRC](#)

To make a complaint against HMRC on behalf of your client you must be appointed as their [Tax Advisor](#).

### [Employers need to register for email alerts](#)

As the Department moves rapidly down the digital road it is becoming more apparent that the days of paper mailings are numbered. It is important agents encourage employers to register to receive email alerts, so they are aware of the latest coding changes and important information that is published on GOV.UK.

## Where's My Reply?

Find out when you can expect to get a reply from HMRC to a query or request you've made. There is also a dedicated service for tax agents to:

- register you as an agent to use HMRC Online Services
- process an application for authority to act on behalf of a client
- amend your agent details

[Start using Where's My Reply? for tax agents](#)

## Manuals

### [Recent Manual updates](#)

You can check the latest updates to HMRC manuals or subscribe to automatic notification of changes.

## Online

### [Future online services downtime](#)

Information is available on any downtime that may affect the availability of HMRC's online services. Please note this is subject to change and confirmation by HMRC's IT provider.

### [Online security - stay safe online](#)

HMRC continuously monitors systems and customer records to guard against fraudulent activity, providing regular updates on scams we are aware of. If you have any concerns regarding the authenticity of emails received from HMRC, [see the online security pages for agents](#).

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## [Online training material and useful resources for tax agents and advisers](#)

HMRC videos on YouTube, online learning modules, and live and pre-recorded webinars are available for tax agents and advisers providing you with free help, learning and support on topical subjects.

## [Phishing emails and bogus contact: HMRC examples](#)

A new type of phishing scam regarding 'Tax Returns', which is being circulated in high volumes, has been added.

## [Paying HRMC by personal credit card](#)

From 13 January 2018 HMRC will no longer be accepting payments made from personal credit cards.

HMRC is only allowed to accept credit card payments on the basis that there is no cost to the public purse, and the EU Payment Services Directive 2, which comes into effect on this date, prohibits merchants (including HMRC) from recharging associated fees back to customers.

Corporate, business and commercial credit cards are not affected by this change and HMRC will continue to accept personal and commercial debit cards.

Customers will continue to have alternative payment options including:

- Direct Debit
- Faster Payment
- BACs
- Debit card
- CHAPs

Details of ways to pay SA can be found on GOV.UK.

[Pay your Self Assessment tax bill.](#)

If you are aware of any clients who currently pay HMRC using a personal credit card please would you bring these changes to their attention.

Customers who are having difficulty making payment should [contact HMRC](#) as soon as possible.

## [Paying HMRC at the Post Office](#)

If you currently use the Transcash service at the Post Office to pay HMRC you need to be aware that this service is being withdrawn from 15 December 2017 and you will need to find a different way of submitting payments to us.

Could you change over to an electronic payment method?

We are encouraging all customers to pay using the following methods:

- Direct Debit
- online or telephone banking, which includes Faster Payments, BACs and CHAPS
- Debit card online or by telephone

Benefits of paying this way are:

- it is more secure
- it will save you time and the expense of going to the Post Office or bank.

[Read Dealing with HMRC: Paying HMRC.](#)

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## Publications

### [Countdown bulletin 28 - October 2017](#)

This edition gives updates about State Scheme Premium Payments, the Scheme Reconciliation Service and Guaranteed Minimum Payment calculations.

### [Employer Bulletin](#)

The latest edition of Employer Bulletin is now available and contains topical and useful information about PAYE processes and procedures. For employers to be informed when it is available on the website, they must [register to receive the email alerts](#).

### [HMRC Trusts and Estates Newsletters](#)

These newsletters provide the latest topical and legislative information on Inheritance Tax and Trusts. [The September edition](#) includes articles on; the Trusts Register, which provides a single point of access for trustees and their agents to register and update their records online, the Inheritance Tax Online service and what are reasonable opening times for access to buildings of outstanding historical or architectural interest for Heritage relief.

### [National Insurance Services to Pensions Industry: countdown bulletins](#)

## Tax

### 2016-17 SA Tax Calculator

You may be aware that changes to the SA tax calculator were recently implemented to accommodate the order of reliefs and allowances. Unfortunately, some issues were picked up that we were unable to fix before 6 April 2017.

Our in-year fix date for the 2016-17 calculator is due to be in place by Monday 23 October 2017, (this will correct Exclusions 48 to 56 and 58 to 59, which cover the majority of cases).

Until then your choices for SA are:

- await the implementation of the fix on 23 October 2017 and then file online
- continue to file online if your current software allows you to do so
- file on paper (preferably with a covering letter identifying the Exclusion)

We have considered the options for Exclusion 60 and are endorsing the following workaround - where there is no overall gain or loss to enter in:

- both "Gains in the year, before losses" (box 6) and "Losses in the year" (box 7) on the Capital Gains section it is permissible for the software to support the entry of £0.01 in "Losses in the year" (box 7)
- both "Gains in the year, before losses" (box 17) and "Losses in the year" (box 19) on the Capital Gains section it is permissible for the software to support the entry of £0.01 in "Losses in the year" (box 19)
- both "Gains in the year, before losses" (box 26) and "Losses in the year" (box 27) on the Capital Gains section it is permissible for the software to support the entry of £0.01 in "Losses in the year" (box 27)

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- both “Gains in the year, before losses” (box 34) and “Losses in the year” (box 35) on the Capital Gains section it is permissible for the software to support the entry of £0.01 in “Losses in the year” (box 35)

If this workaround is followed no additional tax will be due as this figure will be regarded as zero in the tax calculation. We have also updated HMRC’s SA online service to allow this workaround to be used.

Please note software developers have been notified of our intended fix date and this workaround.

### Additional help

For more information about each Exclusion please see GOV.UK webpage: [Self Assessment Individual Exclusions for online filing - 2016-17](#); this includes further information for filing paper returns and claiming reasonable excuse. We are currently refining the Exclusions for online filing and an updated version will be published on GOV.UK, as soon as it is available.

If you are unable to file a clients’ SA tax return online please use the form [Self Assessment: reasonable excuse for not filing return online](#) on the GOV.UK webpage. This form is specifically for agents who have had a problem submitting an online tax return. You should send this form with the paper tax return to avoid a penalty.

We will automate the recovery of both online and paper cases where a return has been filed but shows the incorrect tax position. This recovery will include an SA302 tax calculation and a letter to the customer to advise them of the correction.



### New support service launched for mid-sized businesses

HMRC recently launched a dedicated tax support service for growing mid-sized businesses.

The new Growth Support Service will offer specialist help to qualifying mid-sized businesses and their tax agents. This will provide tailored assistance by helping eligible users access the technical information and specialist services they need.

There are around 170,000 mid-sized businesses registered in the UK. HMRC defines a mid-sized business as having a turnover of more than £10 million or at least 20 employees. Agents working for a mid-sized business who have seen a significant increase in turnover or who taken on more staff, can apply to get support from a HMRC specialist.

This could include:

- helping with tax queries about their growing business
- supplying accurate information and co-ordinating technical expertise from across HMRC
- supporting them to get their tax right first time and access relevant incentives or reliefs

The service is not designed to help with speculative queries or provide advice on tax avoidance or how the business should grow.

Agents working for mid-sized businesses can find out more about the service, and the eligibility requirements, on the GOV.UK webpage [Get help with tax as a growing mid-sized business](#).

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## Toolkits

### HMRC agent toolkits - a useful tool for helping agents

HMRC have [20 Tax agents' toolkits](#) available for you to download and use. They are a free online resource aimed at helping you to avoid the most common errors we see in filed returns.

Since the last Agent Update we have completed the revision of all toolkits to include the newly designed checklist.

We have ensured the new checklist is more user friendly to meet your needs when completing your clients' tax returns.

The final run of revisions took place in September with the two of our most popular toolkits being updated:

#### [Property Rental](#)

SA tax returns (2016 to 2017).

#### [Company Losses](#)

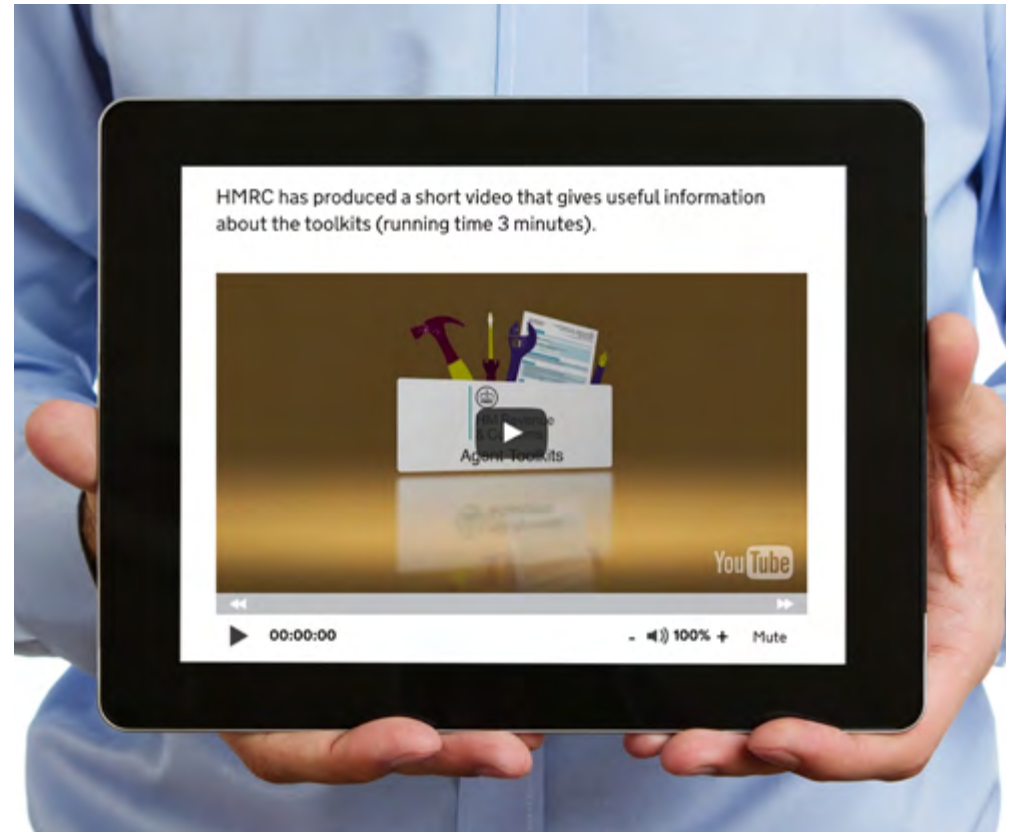
Company Tax Returns (2016 to 2017).

### Your feedback makes a difference

Following feedback from agents our [Capital v Revenue expenditure](#) toolkit has had a further update to Question 4, which now correctly refers to incidental expenditure due to buying, selling or giving away an asset.

Feedback is vital in helping us develop the service to meet your needs, so be sure to let us know what you think by using the toolkits [feedback form](#).

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## Talking Points

Have you joined a Talking Points meeting yet? If not, why not come along and give it a go. If you are unable to join the live meeting we always have a recording available. Talking Points is a programme of digital meetings, which include presentations and live Q&A sessions with HMRC subject experts. We started with one topic a week and now deliver two topics a week (2-4 meetings a week). We cover a range of subjects, focussing on topics of particular interest to agents. Over 12,000 agents joined us for Talking Points during August and September with the majority of feedback very positive. We covered topics including National Insurance for the self-employed, changes to Inheritance Tax, The new Trusts Registration Service, Option To Tax: The once and done approach, Submission of SA Returns affected by exclusions and automatic enrolment duties of new employers (Pension Regulator).

Details of the future Talking Points meetings include:

Subject	Date	Time and registration
<b>Pension Scheme Registration:</b> How to correctly complete the APSS146 Income Tax Repayment form and SA970 Tax Return.	<b>23 October 2017</b>	Midday - 1pm <a href="#">Register now for this meeting</a>
<b>Intellectual Property Office (IPO)</b> - A basic introduction to Trade Marks: The IPO will give a brief overview on IP with the focus being on Trade Marks. This basic introduction will guide you through the way you search for Trade Marks, UK filing, International routes and costs.	<b>27 October 2017</b>	11am - Midday <a href="#">Register now for this meeting</a>
<b>The Patent Box post 2016:</b> In this meeting we will be talking through the new rules, including the qualifying criteria, the records that need to be kept, and the computation.	<b>1 November 2017</b>	Midday - 1pm <a href="#">Register now for this meeting</a>
<b>Company tax returns online</b> - Get it right first time and avoid the most common errors.	<b>2 November 2017</b>	Midday - 1pm <a href="#">Register now for this meeting</a>
<b>The new Trust Registration Service (TRS):</b> How to register an estate using the new TRS. We will also provide the latest information on registering new and existing trusts, based on user research and feedback.	<b>17 November 2017</b>	Midday - 1pm <a href="#">Register now for this meeting</a>

You can see the schedule of Talking Points meetings and recorded meetings on the GOV.UK webpage [Agent toolkits, digital meetings, webinars, e-learning and videos](#).

Details of all Talking Points meeting are regularly posted on the [Tax agent blog](#).

Why not [sign up to have reminders delivered straight to your inbox?](#)

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## Working Together Team (WTT)

Working Together (WT) is a partnership between HMRC and the six main agent Professional Bodies (PBs):

- Association of Accounting Technicians (AAT)
- Association of Chartered Certified Accountants (ACCA)
- Association of Taxation Technicians (ATT)
- Chartered Institute of Taxation (CIOT)
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Institute of Chartered Accountants of Scotland (ICAS)

Together we look for ways to improve HMRC operations for the benefit of tax agents, their clients and HMRC. Members from a range of other PBs including; AIA, IAB, ICB, ICPA, IFA, CIMA, CIPFA, CIPP, CPAA, SPA, STEP and VATPG, also actively participate and contribute to WT.

## Agent Forum

The new Agent Forum has now been launched and during October and November, HMRC is making space for a further 100 agents to join the increasingly popular platform.

The forum provides an opportunity for agents to:

- raise potential widespread issues
- provide evidence to support an issue
- receive updates on current issues
- suggest solutions or disagree with something being referred to as an issue
- view recently cleared issues and
- suggest ideas for operational improvements

Issues raised on the Agent Forum are monitored and prioritised by the Issues Overview Group (IOG), who work with HMRC on responses. You can [register for and Agent Talking Points meeting which will cover Agent Forum and the role of the Issues Overview Group which will be held on 21 November at 1pm.](#)

If you are interested in joining the Agent Forum then please express your interest through the contact list on page 19.

## WT Open Issues Register

Following the August meeting with the IOG, the PBs representatives reviewed the widespread issues.

If you want to know more about the issues being discussed at the IOG meetings or you want to have your say, please contact your PB. The contact details are on page 19. If you do not belong to one of the PBs listed please send your details to the [Agent Engagement Mailbox](#).

The IOG agreed the following issue as Priority 1:

**Reference Number to be allocated PAYE:** P800 issued allowing incorrect refunds where a client has a pension source and is also self-employed.

Evidence was requested from the Agent Community and provided to the Business Area. They are currently working through the cases identified and will report in due course. A full response will be posted on the Agent Forum.

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Since those reported in [Agent Update 61](#) the following widespread issues have been closed, after agreement with the IOG at their meeting on 16 August 2017.

**WT243a P2's:** Incorrect amounts included in coding notices. Some of the points raised were found to have work arounds and others were addressed in the recent Talking Points meetings including that of the 4 September 2017. This meeting discussed Dynamic Coding and the interaction with third party information. Recordings of these meetings and other selected Talking Points are available on the GOV.UK webpage [Agent toolkits, digital meetings, webinars, e-learning and videos](#).

**WT243b P2's:** Incorrect adjustment for Bank Interest. Incorrect amounts can be amended in some instances through the clients Personal Tax Account or by calling the relevant helpline. As stated above this was discussed on 4 September 2017 during the Talking Points on Dynamic Coding. You can now [watch a recording of this meeting](#).

Further information will be made available to agents through the "Announcements" section of the Agent Forum of enhanced services available to agents when these become available. Future Talking Points meetings will also discuss these services.

**WT243c P2's:** Tax codings issued but not visible online. The Business Area confirmed that they reviewed all the cases submitted. In each case the P2 Notice had been suspended as we did not hold a correct address for the individual. The address was therefore marked "RLS" (Return Letter Service) on our systems and as such the address has to be updated and the status removed from the account to restore view facility. The Online Services Helpdesk should be advised of these cases so that they can log them and progress them for the agent.

**WT243d P2's:** Tax codes on Personal Tax Account different from HMRC/Agent view. This affects a very small number of cases. The correct code is that shown in the HMRC and Agents view. It is a known issue and is under investigation with our digital team.

**WT246:** Marriage Allowance and SA (Priority 2). As this appeared to affect 2015-16 and no further cases have been reported it was adjudged to have been cleared.

## Agent Account Managers (AAMs)

The AAM service is a dedicated channel for agents. Its primary function is to resolve client-specific issues, acting as intermediary between agents and HMRC, when normal resolution routes have broken down. To register for the AAM service just complete the online [User Registration Form](#).

You do not need to have an issue to raise before registering for the service, but you will be required to have a current agent authorisation [64-8](#) on file for each head of duty your issue relates to. You will also need to demonstrate you have tried to resolve your issue through normal channels such as helplines.

You log an issue by completing our [online Issue Resolution form](#) and this will generate an automatic email response with a unique issue identifier reference. You must submit a separate form for each issue you wish to raise.

The AAM service cannot be used for issues being handled by other parts of HMRC. They do not deal with complaints, compliance checks or appeals against HMRC decisions, or Disputed Charges. However the AAMs can progress chase such issues. The AAMs do not give advice on technical matters, or the interpretation of tax legislation and guidance. For more information about the AAM service or to provide feedback about the service, please visit the GOV.UK webpage [Agent Account Managers in HMRC](#).

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The top five issues dealt with by the AAMs in September 2017 were:

September	No of issues	Category	Brief description of issue	Further detail/comments
1	28	Agent Maintainer Issues	Deeds of Assignment (DOA ) rejection/missing 64-8 form.	DOA rejection/missing 64-8 form.
2	24	SA Correspondence	Progress chasing letters/forms not processed.	Progress chasing letters/forms not processed/SA400, SA1.
3	10	SA Repayment	Progress chasing repayment requests made through return/online/by post.	Progress chasing repayment requests made by return/online/post.
4	9	PAYE/SA	Disputed Charge.	Querying the information held on HMRC records as does not tie into their own records.
5	9	Other	Progress chasing repayment requests made by return/online/post.	Queries relating to Policy, 3 fraud issues raised through this service, complaint, Marriage Allowance, Trusts & Estates query & Annual Tax on Enveloped Dwellings.

If you have a client specific issue please [contact Agent Account Managers in HMRC](#).

## Cyber Security

HMRC recently started to make 2 Step Verification (2SV) a requirement for all businesses accessing online services. This minor change for users will create a much safer experience when using our services.

HMRC began introducing 2SV in December 2015. Since then, more than 11 million individuals and businesses have successfully set up 2SV to protect their online tax accounts.

HMRC take the protection of customer data extremely seriously. Similar to other large financial organisations, we are an obvious target for fraudsters and cyber criminals, which is why we require 2SV. Its use is backed by the National Cyber Security Centre and promoted by [Cyber Aware](#) and [Action Fraud](#).

HMRC regularly encourages tax agents, who hold a trusted financial role with their clients, to have their own online security measures in place.

Many businesses need to delegate account access to members of their staff to handle aspects of their tax. This can still be done with 2SV. Access credentials should not be shared. Instead, business users can utilise their administrator and assistant functionality - in their Business Tax Account - to create additional users for individuals requiring access to their account. Each of these credentials will then have its own 2SV.

If you encounter issues using 2SV with HMRC visit the GOV.UK webpage [Get help using HMRC online services](#).

[A recording of the Talking Points meeting “Cyber Security” is available to watch now.](#)  
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## Making Tax Digital for Business (MTDfB) update

We continue to work with volunteer agents and their clients on our pilot to test and develop the MTDfB service for income tax and national insurance. In future updates we will tell you how you and your clients can get involved. In order to get ready for MTDfB, volunteers will need compatible software.

Ensuring your clients keep business records digitally is the most important step towards being ready for MTDfB. If you are not already doing this you will need to think about how and when to move your clients to digital record keeping. If you are already using practice software, you may want to speak to your supplier about when their products will be ready to support MTDfB.

Towards the end of this year we will start our work with software developers on technical testing for the MTDfB service for VAT. In spring 2018 we will begin to pilot the VAT service with a small number of VAT registered businesses and their agents. The pilot will expand in numbers and features in the lead up to April 2019. From that point, VAT registered business over the VAT threshold must keep their business records digitally and provide their VAT return information to HMRC through MTDfB compatible software.

You can find more information about MTDfB on GOV.UK webpage [Making Tax Digital reforms affecting businesses](#), and you can register to watch a [recording of the MTDfB Talking Points meeting](#).

## Agent access to services

A number of services continue to be tested by a small number of agents, with MTDfB compatible software. The services being user tested are:

creating an agent services account - this is a one off process that an agency will need to complete to enable the firm and its staff to access MTDfB services (and a range of other HMRC services as they are released. This includes the Trust Registration Service) linking existing self assessment clients to the agent services account - this involves linking existing agent codes to the agent service account, so an agency can act on behalf of their client without needing to be re-authorised by that client subscribing a client to the service - an agency can initially subscribe any existing self assessment client with who has previously authorised the agency to act for them in SA e.g. 64-8 authorisation is in place completing a quarterly update for a client - an agent must have HMRC compatible third party software to do this.

An authorisation service continues to be user tested which will allow an agency to send a digital invitation to a taxpayer they wish to represent in MTDfB. The client will be able to accept or reject the invitation using a secure online process.

Agents who need to register trusts with the Trust Registration Service (TRS) will, as part of the TRS, need to create an Agent Services Account to access the TRS iForm. There is no requirement to link clients to their Agent Services Account.

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## Trust Registration Service (TRS)

The new TRS allows trustees to register their trust and complex estates online and provide information on the beneficial owners of the trust or estate. The new service was launched in July 2017 for trustees and replaces the 41G (Trust) paper form, which was withdrawn at the end of April 2017. This is now the only way that trusts and complex estates can obtain their SA Unique Taxpayer Reference.

The new TRS will be opened up to agents in October 2017. As part of this online process, agents will be taken through the steps to create an Agent Services account before they can [register on behalf of trustees](#).

In this first year of TRS, to allow sufficient time to complete the registration of a trust or complex estate for SA and provide beneficial ownership information, there will be no penalty imposed where registration is completed after 5 October 2017 but before 5 December 2017. Where the trust is already registered for SA, the trustees (or their agent) of either a UK or non-UK (express) trust that incur a UK tax liability, are required to provide beneficial ownership information about the trust, using the TRS, by 31 January after the end of tax year.

The new service will provide a single online service for trusts to comply with their registration obligations. This will improve the processes around the administration of trusts and allow HMRC to collect, hold and retrieve up to date information in a central electronic register.

The online TRS is currently available to UK based agencies. Overseas agencies who need to register a trust should [contact the Trusts Helpline](#).

[More information is available in the September Trusts & Estates Newsletter.](#)

You [can register to watch a recording of the recent Trust Talking Points meeting](#).

## Working Together Contact information for Professional and Representative Bodies

[AAT Jeremy Nottingham](#)

[ACCA Jason Piper](#)

[AIA Tim Pinkney](#)

[ATT Jon Stride](#)

[CIMA](#)

[CIOT Nigel Clarke](#)

[CIPP](#)

[IAB Kelly Pike](#)

[ICAEW Caroline Miskin](#)

[ICAS Charlotte Barbour](#)

[ICPA Tony Margaritelli](#)

[IFA](#)

[VATPG Ruth Corkin](#)

If you are not a member of a professional body, please contact the [Agent Engagement Mailbox](#).

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