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Introduction

Welcome to Agent Update 69. In this edition you can read about cryptoassets and diesel supplement company car tax changes.

We have added a new section on Making Tax Digital containing details of the pilot and Agent Services Accounts.

The Working Together section includes an update on the Issues Overview Group and the recent issues raised on the Agent Forum.

If you would like an [email reminder](#) when each edition of Agent Update is published, please sign up to receive email reminders of future issues of Agent Update.

We encourage you to continue sending your thoughts and views to the Agent Update mailbox.

If you have any comments about Agent Update please email mailbox.digitalsupport@hmrc.gsi.gov.uk.

Tax

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

HMRC service

Details of live consultations and links to responses, changes to HMRC service and guidance.

Working Together

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

Making Tax Digital

The latest news on Making Tax Digital.

This month's top articles

Self Assessment and Company Directors

Changes to the law on the obligation to notify chargeability to Self Assessment.

Sending your client's 2019-20 Annual Tax on Enveloped Dwellings (ATED) return

If you have not yet registered with HMRC to use the online service, do so well before 1 April 2019.

New entitlement to Parental Bereavement Leave and Pay

A new workplace right.



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Self Assessment (SA) and Company Directors

HMRC has received enquiries about the law on the obligation to notify chargeability to tax. Guidance on [Self Assessment tax returns](#) has been updated on GOV.UK to clarify that company directors with income taxed at source and with no further tax to pay do not need to complete a tax return.

Anyone chargeable to Income Tax or Capital Gains Tax must tell HMRC they are chargeable to tax if they have:

- not received a notice to file a return or
- received a notice to file a return and HMRC have agreed to withdraw the notice.

Information on how to do this is available on the [Check if you need to send a Self Assessment tax return webpage](#) on GOV.UK.

There are some exclusions. These include:

- individuals in receipt of a Simple Assessment (unless they are chargeable on anything that is not included in the assessment)
- individuals whose income has been taxed at source
- individuals not liable to the high income child benefit charge.

Many company directors are taxed under PAYE and so will not need to give notice of liability to tax, provided they have no other untaxed income.

HMRC can choose to issue a notice to file an SA return (under section 8 Taxes Management Act 1970) to any individual. Anyone receiving a notice to file a tax return must do so by the required deadline, or they may be liable to a late filing and/or a late payment penalty.

If an individual has received a notice to file and has no other taxable income to report, they can ask for the notice to file to be withdrawn. However, HMRC may decide that they still require a return and if so, the return must be submitted, otherwise penalties may be incurred.

Off-payroll working in the private sector

At Budget 2018, following consultation, the government announced reform to address non-compliance with the off-payroll working rules in the private sector. The off-payroll working rules (commonly known as IR35) ensure that individuals who work like employees pay broadly the same employment taxes as directly engaged employees, even where they work through their own company.

The reform does not introduce a new tax, it tackles non-compliance with the off-payroll working rules introduced in 2000. These rules only affect people working like employees and through a company, they do not apply to the self-employed.

From April 2020 where an individual is engaged by a medium or large-sized business and works through a company, the business will become responsible for assessing the individual's employment status. If the rules apply, the business, agency or third party paying the individual's company will be responsible for deducting Income Tax and National Insurance Contributions (NICs) through Pay As You Earn (PAYE) as for employees, and paying employer NICs. Existing rules will continue to apply for engagements with small businesses. The definition of a "small business" will be based on the Companies Act 2006 definition of a small company.

The Check Employment Status for Tax (CEST) service is available to help businesses determine whether the off-payroll working rules apply. We will continue to work with stakeholders over the coming months to improve CEST and associated guidance before the reform comes into effect.

We will be publishing a further consultation early next year to seek views on the detailed operation of rules in the private sector. We will also provide a package of education and support to businesses in the run up to April 2020 to help them implement the rules.

The [Summary of Responses](#) to the consultation and a new [Fact Sheet](#) have been published on GOV.UK.

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Welsh rates of Income Tax (WRIT)

In November 2018 HMRC wrote to over two million customers, with their main residence in Wales, telling them about WRIT.

All people living in Wales subject to Income Tax, including individuals who earn below the Income Tax threshold, should have received a letter.

Employees or people who receive a pension will be given new tax codes that begin with a 'C'. People who complete a Self Assessment tax return online will be asked about their country of residence.

The Welsh Government will set the WRIT.

Further information on the Welsh Government budget is available on the [GOV.WALES webpage](#).

HMRC will continue to administer WRIT as part of the UK Income Tax system. People do not need to do anything unless they move home. Address details should be kept up to date by visiting the [Tell HMRC about a change to your personal details webpage](#) on GOV.UK.

For more information on the changes go to the [Income Tax in Wales webpage](#) on GOV.UK.

Starter Checklist and Postgraduate Loans (PGL)

Starter checklist

The starter checklist will be updated to ask the employee if they have both Plan 1 and Plan 2 student loans. If the employee ticks that they have both, you should continue to deduct using only a single plan type at a time. If you do not know which plan type to use, then you should default to Plan 1 and check the student loan start notice (SL1), which we will send you.

PGL

In [Agent Update 68](#) we told you that the Department for Education (DfE) had launched a new loan product for England and Wales known as PGL. The earliest individuals can start repayment of PGL is April 2019 and this will be repaid concurrently with any undergraduate student loans.

The threshold for PGL for England and Wales will be £21,000, with deductions being taken at 6%.

What does PGL mean for employers?

- As we said in [Agent Update 67](#)
 - there will be new start and stop notices for PGL - the PGL1 and PGL2
 - we are working with payroll providers to make sure your software is ready for April 2019.
- The starter checklist will be updated to include a section for PGL
- Form P45 will not change. This will still only indicate whether an employee is already repaying a student loan. It will not indicate the employee's plan or loan type. We would encourage the employee to complete the new starter checklist to make sure deductions are taken under the correct plan or loan type
- Form P60 will be updated to include a new box for PGL deductions

More information on PGL will be included in February's edition of the Agent Update.

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Tax-Free Childcare

Do your clients know about Tax-Free Childcare?

Tax-Free Childcare is a government scheme that helps working parents, including the self-employed and company employees, with childcare costs.

If eligible, your client or their employees could get up to £2,000 per child, per year to spend on qualifying childcare.

Parents are usually eligible if they (and their partner, if they have one) are:

- in work, or getting parental leave, sick leave or annual leave
- each earning at least the [National Minimum Wage](#) for 16 hours a week, currently £125.28 if they are 25 or over.

If your client is self-employed and started their business less than 12 months ago, this earnings limit will not apply.

Further, if their self-employed income varies over time, you can average their profits out across the tax year to meet the minimum income requirement.

We would like more parents to benefit from Tax-Free Childcare. You can make a difference. Please tell your clients about Tax-Free Childcare today.

There is more information to help you do this at the [childcare choices webpage](#) on GOV.UK. There is also a [communications toolkit](#) with products you can share.

Diesel Supplement Company Car Tax Changes to meet Euro standard 6d

In Agent Update 65 we communicated an [increase in the diesel supplement](#) for company cars from 6 April 2018. We also covered the introduction of an exemption from the diesel supplement for some cars, available from the same date.

Diesel cars which meet the levels of Nitrogen Oxide (NOx) emissions, permitted by Euro standard 6d, qualify for exemption from the entire diesel supplement.

For 2019-20 information will be available from the Driver Vehicle Licencing Agency (DVLA). For cars manufactured after September 2018, the online Vehicle Enquiry Service will help you identify whether a car meets Euro standard 6d.

Euro standard 6d information is also available on the form V5C for cars registered from 1 September 2018 onwards.

How to report a diesel company car which is new or made available to an individual for the first time during the 2019-20 tax year, and which complies with Euro standard 6d

From 6 April 2019 a new fuel type will be shown on form P46 (Car) called 'Fuel Type F - Diesel cars meeting Euro standard 6d'. This fuel type should be used for reporting diesel company cars which are Euro standard 6d compliant.

Payrolling the car and car fuel benefit for a diesel company car which is Euro 6d compliant

If you have registered to payroll the car and car fuel benefit charge in 2019-20 for a Euro standard 6d compliant diesel car:

- calculate the cash equivalent using the appropriate percentage for 'Fuel Type F' and
- enter this amount in 'Box 182' of the Full Payment Submission (FPS),
- Enter 'F' in 'Box 177' of the FPS.

Further information about P11D completion will be provided in due course.

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Calculating the cash equivalent

From the 2019-20 tax year onwards, if you use the HMRC online calculator, or other business tools to calculate cash equivalent for company cars, there will be a new fuel type 'Fuel Type F - Diesel cars meeting Euro standard 6d'. This should be used when calculating the value for diesel company cars which are Euro 6d compliant.

The Pensions Regulator - Research on employer awareness and understanding of automatic enrolment

The Pensions Regulator has recently published [research](#) on employer awareness and understanding of automatic enrolment responsibilities.

The research shows that employees are continuing to save more into their work place pensions.

The survey of micro, small and medium sized employers, shows less than 2% of staff asked to leave their pension as a result of the increases to minimum pension contributions in April. Total minimum contributions increased from 2% to 5% and will increase again to 8% from April 2019.

The research also demonstrates that employers find their ongoing automatic enrolment responsibilities easier than they expected, spending two hours a month completing them. Ongoing duties include maintaining the correct contributions, assessing staff and keeping records.

More information about ongoing duties can be found on The [Pensions Regulator webpage](#) on GOV.UK.

Be prepared to send your client's 2019-20 Annual Tax on Enveloped Dwellings (ATED) return online.

If you have not yet registered with HMRC to use the online service, do so well before 1 April 2019.

There are many benefits to using the online service including:

- instant access to registration details with no need to wait for log-in details to be sent in the post
- immediate confirmation of submission of a return
- instant access to a payment reference number
- the ability to view account information, including past returns, returns in draft and outstanding balances
- authorising an agent online.

In addition, you as agents will be able to:

- see a list of all ATED clients in one place
- file returns on behalf of your clients and manage their online account
- manage your own lists of clients within your agent organisation.

Please note that you will not be able to submit a return for the 2019-20 chargeable period until 1 April 2019.

For further information, you can view a recording of the [Talking Points ATED meeting](#).

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Interest Restriction Return (IRR) deadline: 31 December 2018

Companies and groups with a 31 December year-end may need to submit an IRR by 31 December 2018 if the corporate interest restriction rules (CIR) apply.

Does my client need to submit an IRR?

The CIR rules apply to individual companies or groups of companies with over £2 million of net interest or other financing costs per annum. More information is available on the [Restriction on Corporation Tax relief for interest deductions webpage](#) on GOV.UK.

How to submit an IRR

A group reporting company should submit the IRR via the HMRC online form, using the Government Gateway. It is possible for an agent to submit an IRR on behalf of a client. A company or a group that does not have a group reporting company cannot submit an IRR.

Further details are available on the [Submit a Corporate Interest Restriction return webpage](#) on GOV.UK.

Who is the group reporting company?

A company or a group with a 31 December year-end should have appointed a reporting company by 30 June 2018. If this deadline has been missed, please contact the group's Customer Relationship Manager (CRM). If your client does not have a CRM, please ask the HMRC CIR team to appoint a reporting company. IRRs must not be emailed to the HMRC CIR team.

The HMRC CIR team can be contacted by email at: interest-restriction.mailbox@hmrc.gsi.gov.uk

Full guidance is available on the [Corporate Interest Restriction guidance webpage](#) on GOV.UK.

DAC6 - a new EU Directive which will require disclosure of certain cross border tax arrangements

The latest amendment to the EU Directive on Administrative Cooperation in Direct Taxes (DAC6) entered into force on 25 June 2018. The UK would need to implement the directive during any implementation period in an EU withdrawal agreement.

DAC6 will require UK based intermediaries, and in some instances taxpayers, to disclose specified cross-border tax arrangements to HMRC. The government will implement DAC6 in regulations by 31 December 2019. Intermediaries and taxpayers will have to make their first reports by 31 August 2020.

Intermediaries will need to report in 2020 any arrangements entered into from 25 June 2018. Intermediaries are recommended to familiarise themselves with DAC6. Further information is available on the [Council Directive 2018/822/EU](#).

HMRC will consult on the regulations in 2019. In the interim, please send questions and queries to mandatorydisclosure.rules@hmrc.gsi.gov.uk.

Supplies of digital services to consumers in the EU

The VAT rules if you supply digital services to private consumers in other member states will change on 1 January 2019.

The place of supply will be the UK where;

- A UK business is not established in any other [EU member state](#) and
- The total value of their annual cross-border digital sales is less than £8,818 in the current year and preceding year.

Businesses affected will no longer need to register for VAT in other EU countries where they have consumers or use the VAT Mini One Stop Shop scheme ([VAT MOSS](#)).

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If your business turnover is below the [UK VAT threshold](#) you will also be able to de-register from VAT.

Businesses based outside of the EU, but registered for VAT, could not previously use the Non-Union VAT MOSS scheme. This restriction is being lifted.

If you register your business for the scheme, you will send HMRC a VAT MOSS Return of your qualifying sales and payment each calendar quarter. HMRC will send the relevant parts of your return and payment to the tax authority of the country where your consumers are based. You may still need to send a separate VAT return if you have non-qualifying sales.

Guidance has also been updated to reflect simplifications to invoicing and evidence requirements. For more information see the [Register for the VAT Mini One Stop Shop scheme webpage](#) and [VAT rules if you supply digital services to private consumers webpage](#) on GOV.UK.

Top 3 things you need to do now to prepare for the Customs Declaration Service (CDS)

If you submit customs declarations on behalf of one or more business that trade with countries outside the EU, you and your clients should now be preparing for upcoming changes to customs declarations. This includes familiarising yourselves with changes to the tariff and understanding the new or different information that now needs to be included with a declaration.

HMRC has begun phasing in the new CDS to replace the existing Customs Handling of Import and Export Freight (CHIEF) system. This is being done gradually, with CDS functionality being developed, tested and released in phases. HMRC started the rollout in August with a small group of importers who make certain types of Supplementary Declarations, with more businesses moving to the new system as additional functionality becomes available.

Remaining importers are expected to move over to CDS early in the new year, with exporters moving from March 2019. This means that CDS and CHIEF will run in parallel for a period of time. You or your software developer should keep your clients informed of any updates to the development of their application and confirm when their business is ready to start using CDS.

Checklist - what do you need to do now?

In preparation for CDS, you will need to:

1. make sure you have an [Economic Operator Registration and Identification \(EORI\)](#) number and a [Government Gateway](#) user ID and password
2. have read and understood the changes found in the CDS version of the Import Tariff, now available [here](#) on GOV.UK, where you can also request a printed version via [subscription](#). The exports tariff will be available soon
3. consider whether you need to provide any training for employees, for example, on the new data needed with your declarations.

For more information on what you or your clients need to do to prepare for the introduction of CDS and when, visit the [Customs Declaration Service webpage](#) on GOV.UK.

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Repayments by Bankers' Automated Clearing Services (BACS) straight into a bank account

HMRC can send a payment straight to a bank account if a client is due a VAT repayment.

We have written to a number of VAT customers who have recently received a VAT Payable Order advising them of the benefits of receiving repayments by BACS and the steps to take.

To receive repayments into a bank account:

- provide us with details of the bank sort code and account number through the [VAT online service](#)
- the account must be in the name of the registered person or company.

All future repayments will be made direct to that account unless HMRC is informed of a change.

Payments by BACS are faster, safer and more secure than payable orders which can take up to six days to clear and will be phased out in the future.

We will still need bank details if they have previously been provided to set up a Direct Debit, as these will no longer be available for us to make repayments. The VAT online service has more information about how to register. If your client is unable to use the VAT online service, bank account details can be given using [form VAT484](#) or in writing to:

Grimsby VAT Registration Service
 HM Revenue and Customs
 Imperial House
 77 Victoria Street
 Grimsby
 DN31 1DB.

The request must be signed by the appropriate person (as shown in the table below) and contain the VAT registration number and relevant period end date.

Type of organisation	Appropriate person
Incorporated company	Director or company secretary
Limited liability partnership	Registered member
Partnership	One of the listed partners
Sole proprietor	Owner of the business
Non-profit making body	Chairperson, treasurer, trustee or secretary

Please allow 14 days for records to be updated. If HMRC is not given adequate notice any repayment claimed may be delayed.

Using correct HMRC payslips - Making a payment at the bank

Barclays Bank has been HMRC's banking supplier since February 2016 and any bank accounts associated with our previous supplier will close shortly.

Some VAT customers continue to use discontinued payslips with the previous supplier's details on them. Any payment made using a discontinued payslip will be automatically returned to the bank where it was paid and will not reach HMRC.

Please ensure any discontinued payslips are destroyed.

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We have contacted customers who have used discontinued payslips to tell them about this and the steps they need to take. We encourage all customers to pay electronically using the following methods:

- Direct Debit
- Online or telephone banking, including Faster Payments, BACS and Clearing House Automated Payment System (CHAPS).

For more information on ways to pay your VAT bill, read [Pay your VAT bill](#).

If your client does not have a bank account to make electronic payments, basic bank accounts are available. For more information, read [revised basic bank account](#).

If VAT cannot be paid electronically read [VAT payment slips](#) for more information.

Cryptoassets - publication of guidance for individuals

It has been a year since the rapid increase in the value of cryptoassets, most notably in bitcoin, since the peak observed in December 2017. With the Self Assessment (SA) deadline approaching agents will be considering how to treat them for tax purposes.

The term 'cryptoassets' is an umbrella term that encompasses all different types of 'tokens'.

Guidance is being published in the coming days on GOV.UK that primarily focuses on 'exchange tokens', which have characteristics similar to bitcoin.

The taxation of cryptoassets is complex and will continue to evolve as new types of cryptoasset are created and potentially their use changes.

Further guidance will be published in early 2019 for businesses (including corporations).

The guidance considers HMRC's view on common topics such as mining. We have also detailed our view on what to do in the case of forks and pooling for Capital Gains purposes.

New entitlement to Parental Bereavement Leave and Pay

The government is introducing a new workplace right to Parental Bereavement Leave and Pay for parents who lose a child under the age of 18, including those who suffer a stillbirth from 24 weeks of pregnancy.

The Parental Bereavement (Leave and Pay) Act gained Royal Assent in September 2018. Work is underway to get the regulations ready to be laid before Parliament in 2019, with the intention that they will apply from the common commencement date of 6 April 2020.

During the Act's passage through Parliament, the government consulted on several key aspects of the policy to be set in regulations. The government published its response to the consultation on 2 November 2018.

Read the full response [here](#).

Who will be entitled?

Employed parents who lose a child under the age of 18 (or those who suffer a stillbirth from 24 weeks) will be entitled to two weeks of Parental Bereavement Leave as a 'day-one' right. Those with at least 26 weeks continuous service at the date of the child's death, and earnings above the Lower Earnings Limit, will also be entitled to Parental Bereavement Pay. This is paid at the statutory flat weekly rate of £145.18 (or 90% of average earnings, where this is lower).

The definition of a 'bereaved parent' is guided by the principle that those who are the 'primary carers' of the child should be the focus of the entitlement. The entitlement will apply to the child's 'legal' parents; individuals with a court order to give them day-to-day responsibility for caring for the child; and primary carers who do not have legal status, such as kinship carers.

In all cases, eligibility will be based on facts that will be clear to both the employee and their employer in order to minimise confusion.

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How can the leave and pay be taken?

Eligible parents will be able to take both the leave and pay as either a single block of one or two weeks, or as two separate blocks of one week of leave and/or pay (taken at different times).

The employee will have 56 weeks from the date of their child's death in which to take the entitlement so as to allow parents to take the leave (and pay) at important moments, such as anniversaries, if they wish.

What notices will be required?

Leave

No prior notice will be required for leave taken very soon after the death. This will apply for a set number of weeks, in recognition that employees are likely to need to take leave at little or no notice. Employees will, however, be required to tell their employer that they are absent from work, informal notification will be acceptable.

If leave is taken at a later point in time, a notice requirement will apply. The proposed notice period is at least one week.

Pay

Prior notice will be required for Parental Bereavement Pay irrespective of when the pay is taken. This is in order to give employers' time to process the request.

What will the evidence requirements be?

The government is considering whether employers should be able to request evidence of entitlement to Parental Bereavement Leave where an employee is required to give notice (i.e. where the leave is taken at a later date). Where they do, the government proposes that this should be in the form of a written declaration that the employee meets eligibility criteria for leave (this is the approach used for Paternity Leave and Pay).

This means that employers will not be able to ask parents for evidence of the child's death (e.g. they will not be able to ask for a copy of the death certificate) nor of their relationship with the child.

However, when an employee needs to take time off work to grieve very soon after the death of their child, they will not be required to provide a written declaration before going on leave or subsequently. There will be no obligation on employers to ask for this information, and no obligation on employees to provide it (i.e. it will not be part of the eligibility requirements).

For Parental Bereavement Pay, a written declaration will always be required from the employee in order to safeguard employers and the Exchequer from potential abuse, as is the case for other family related pay entitlements.

Corporation Tax (CT)

New guidance on CT carried-forward losses

HMRC have published three new guidance pages on GOV.UK about CT carried-forward losses.

[Reform of Corporation Tax loss relief: draft guidance on administrative requirements](#)

The requirements result from a new restriction on CT loss relief. This applies from 1 April 2017. It does not affect the amount of losses that most smaller companies can use. But it can create administrative requirements for companies of any size.

The draft guidance summarises what companies need to do. It also includes a template of the group allowance allocation statement. Groups of any size may need to submit this type of statement to HMRC.

[Commencement provisions](#)

These can apply when a company accounting period straddles 1 April 2017.

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[Carry forward Corporation Tax losses](#)

This guidance includes essential points about the relaxation on relief introduced in 2017. The relaxation can apply to carried-forward losses that a company made on, or after, 1 April 2017. It does not affect losses that a company made before that date.

Be sure to review this new guidance if your clients are affected by CT carried-forward losses.

Payments

CT cannot be paid through the post

Since April 2011, legislation requires CT to be paid electronically. There are various methods available:

- Direct Debit
- Faster Payment, BACS, CHAPS via online or telephone banking
- Debit or corporate credit card online.

By using these methods, clients can be assured that their payments are more secure and will reach HMRC quicker.

For more information, read [Pay your Corporation Tax bill](#).

Paying your CT bill

We have published a short YouTube [video](#) that explains the various ways to pay your CT bill. Please share this video and information with your clients to ensure their payment reaches the right account at the right time.

CT repayments made easier

You may already be aware that HMRC is phasing out payable orders. We are replacing them with the quicker and more secure method of repayment called BACS.

Clients need to provide HMRC with their bank account and sort code each time they submit a return or an amended return. It must be a UK bank account in the company or authorised nominee's name. If your client has already provided HMRC with bank details to set up a direct debit, they still need to provide them on the return.

If your clients do not have a UK bank account we will continue to issue their repayments in the same way as we currently do.

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Training and support for Customs Intermediaries

HMRC are investing £8million to support the expansion of the customs intermediaries sector.

This includes:

- developing new or expanded training courses
- grants to support training for businesses offering intermediary services or traders looking to complete their own declarations, and
- grants to support automation for smaller intermediaries that rely on manual data input.

For information on who is eligible for these grants, and how to apply please see [GOV.UK](#).

We have also published our latest letter to UK traders that only trade with the EU to help them prepare for the unlikely event that the UK leaves the EU without a deal on 29 March 2019. The letter advises these businesses on the actions they must take now to ensure they can continue to trade the day after the UK leaves, this includes deciding whether they need to hire an agent to make import and/or export declarations for them. You can read the [full letter to UK traders that trade with the EU only](#) on GOV.UK.

New HMRC podcasts to help you - listen now

We wanted to let you know about some new podcasts that HMRC are trialling to help you and your clients with your tax obligations and financial affairs.

The podcasts will give you access to interviews and chats with key policy officials and teams offering you information, tips and support. An initial set of three podcasts have been produced covering the following topics:

- Making Tax Digital
- Payroll Submissions
- Land & Property.

You can listen to the podcasts now, by clicking [here](#).

Feedback is welcomed on the podcasts. Please do get in touch and let us know by [emailing the team](#).

Consultations

Check the status of tax policy consultations

[Check the status of tax policy consultations](#).

This file is in an [OpenDocument](#) format.

Contact

Agent Blog

Did you know there is a regular [Tax Agent Blog](#), highlighting the work HMRC do with tax agents, advisers and professional bodies?

We cover agent specific news and updates, consultations and HMRC's agent strategy to name but a few.

You can subscribe [here](#) to receive a notification when a new blog is posted.

[Complain to HMRC](#)

To make a complaint to HMRC on behalf of your client you must be [appointed as their tax advisor](#).

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

As HMRC 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 the Government Web pages.

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

Find out when you can expect to get a reply from HMRC to a query or request you have 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.

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 any emails received from HMRC, [see the online security pages for agents](#).

[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.

[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.

Publications

[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 first [register to receive the email alerts](#).

[HMRC: Trusts and Estate newsletters](#)

The latest edition provides more information about the Trust Registration Service and the penalty regime.

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

Countdown Bulletin 39 - November 2018 has been added to this collection.

[Pension schemes newsletter](#)

This newsletter is published by HMRC's Pension Schemes Services to update stakeholders on the latest news for pension schemes.

[Revenue and Customs briefs](#)

These are briefs 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.

section ends



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Making Tax Digital (MTD) pilot now open

The vast majority of VAT-registered businesses with a taxable turnover above the VAT threshold (£85,000) will be mandated to keep digital VAT records, and send returns using MTD-compatible software, from April 2019.

Since October, the MTD for VAT pilot has been open for VAT businesses whose affairs are up to date and straightforward. It will extend to most other business types over the coming months. We have announced that a small group of customers with more complex requirements will have a further 6 months to prepare. We explain more about who can join, and when, in our updated [stakeholder communications pack](#). The pack has a range of information about MTD that you can use in your own communications activity with your clients, customers, colleagues or members.

We have published more information about [MTD-compatible software](#) with 2 lists:

- compatible software for VAT that is available now; and
- software suppliers with VAT-compatible products in development.

Now that the pilot is open to more businesses, we are increasing communications targeted directly to businesses. This includes starting to write to them to let them know about their obligations, starting with the businesses who can join the pilot now.

MTD will not be mandated for other taxes until at least April 2020, but businesses and their agents can get involved in the Income Tax pilot now on a voluntary basis. You can find more information about [MTD for Income Tax](#) on GOV.UK.

Agent Services Account (ASA)

Over 8,500 UK agent firms have set up an ASA and are ready to act for their VAT clients in MTD or other new digital services such as registering a trust or estate.

General

- To submit VAT returns on behalf of clients under MTD, agents need a new ASA
- You may already have a new ASA if you have signed up for the Trust Registration Service (TRS) or signed clients up for the MTD for Income Tax Pilot. You do not need to create a new one for MTD for VAT if that is the case
- A firm should only have one ASA
- Be prepared. Once a client is signed up to MTD their returns MUST be submitted using MTD compatible software, so do not sign up your clients unless they are ready
- Businesses that pay by Direct Debit must sign up at least 15 working days before they need to submit to allow the payment to be taken.

Step 1 - Creating an ASA

- Before signing clients up to MTD you must first create an ASA
- For guidance, and to create an account, go to the [Get an HMRC agent services account webpage on GOV.UK](#)
- ASA is currently only used for the TRS, the MTD VAT service and the MTD Income Tax service
- You will use your current Government Gateway (GG) ID to create your ASA, and as part of signing up will receive new credentials. It is these new credentials that you will use to access MTD services
- You will still need your current GG IDs to access other HMRC online services.

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Step 2 - Linking existing agent-client relationships

- Once the new ASA is created, you can use the service to link existing authorised client relationships by following the guidance on linking existing clients
- The 'link clients service' is accessed from the ASA. Once each client is linked, you will see an 'Account linked' message
- This process requires you to input your current GG IDs so that we can identify the relationship already exists
- All the clients that exist under a specific GG ID are linked to the ASA (if you have multiple GG accounts you may need to repeat this step to link all of your clients).

Important:

The client list cannot be viewed from within the ASA.

Step 3 - Authorise MTD compatible software

- Before signing a client up to MTD you must make sure you/they have compatible software, see the [Find software suppliers for sending VAT Returns and Income Tax updates webpage](#) on GOV.UK
- If using existing software, you need to make sure it is MTD compatible and that its MTD capabilities have been enabled. Contact your provider to discuss
- You must delegate authority to the MTD compatible software once you have signed the client up to MTD (this applies to both new and existing software).

Important:

Once signed up, returns must be submitted using MTD compatible software. You cannot use the previous channel.

Step 4 - Sign business up to MTD

Using the new GG ID created for your ASA you can sign up clients by going to the [Agents: use software to submit VAT Returns webpage](#) on GOV.UK

- You will receive confirmation that the client's information has been received. We will email you (usually within 72 hours) confirming you can start using MTD software to submit the client's return
- You should tell your client you are now submitting returns through Making Tax Digital
- Each client needs to be signed up individually, or the client can sign themselves up.

Important:

When connecting software to HMRC you must use your new ASA GG ID. If you attempt to log in with another GG ID our systems will not be able to recognise the MTD relationship with your client so you will receive an error message and be unable to file the return.

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Working Together - Issues Overview Group (IOG)

The Working Together IOG is a joint forum of HMRC and professional bodies (PBs) which progresses key operational issues or problems raised on the online Agent Forum, or otherwise identified by HMRC or PBs representing tax agents and advisers.

Information including the Terms of Reference for the IOG can be found on the [IOG webpage](#) on GOV.UK. Agent Update highlights items being progressed by the IOG. The latest updates on progressing priority issues identified will be published on the Working Together online Agent Forum.

Recent issues raised on the Agent Forum include:

1. Small Estates (Relates SA - Guidance)
Estate income below £100 does it also relate to Dividend income.
2. Exclusion cases (Relates SA - Annual Returns)
Calculations re: Chargeable Events Gains incorrect.
3. HMRC please tell me who this is for (Relates SA - Others)
Standard letter re: SA registration - Incorrect form used.
4. Certificate of Residence (Relates CT - Delays in processing)
Certificate of Residence (RES1) requested on 4/9/2018.
5. HMRC printed SA302 omitting finance costs
Relates SA - Clarification of procedures.
6. Effects of HMRC failing to carry out PAYE reconciliation
(Relates SA - Delays in processing) Delay in PAYE reconciliations for 2017-18.
7. Changing client's details online for VAT (Relates VAT - Guidance)
How to change the trading address online.

Agents wishing further progress on an issue can, in addition to seeking the latest update on the Agent Forum, contact their PB representative on the IOG to assist with resolution.

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 Samantha Mann](#)

[IAB Kelly Pike](#)

[ICAEW Caroline Miskin](#)

[ICAS Charlotte Barbour](#)

[ICB Jacquie Mount](#)

[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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