

# Minutes

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## MID-TIER AGENTS FORUM

13 September 2016    Time: 10.00-12.00  
Room G57, 100 Parliament Street, London SW1A 2BQ

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**Chair:**            Jeremy Tyler                    HMRC (Business Customer & Strategy)

**Secretariat:**    Michele York                    HMRC (Business Customer & Strategy)

**Attendees:**     Andrew Hubbard – RSM UK  
Tina Riches - Smith & Williamson  
Jonathan C.Riley- Grant Thornton  
Stephen Nixon – Crowe Clark Whitehill  
Mark McGarry - Saffery Champness

**HMRC Attendees:** Toni Clark – Head of Digital Agent Engagement  
Phil Gilbert - (Counter Avoidance)  
Barbara Conroy – CenPOL  
Alison Gardiner - HMRC (CenPOL)  
Hugh McCann – Digital Agent Engagement Team  
Claire Emery – Mid-Size Business

**Speakers:**     Veronica Fell – HMRC, Transformation  
Andy Buckingham – HMRC, Transformation  
Angela Nagarajah- HMRC, Head of Agent Services  
Stephen Taylor – HMRC BC&S, Lead on Agent Strategy  
Angela Brown – Office of Tax Simplification

**Apologies:**    Ruth Stanier – HMRC (Director, Indirect Taxes)  
Robin Wythes - HMRC (CenPOL)  
Sara O'Bryne – HMRC (Large Business)  
Adrian Cooper – HMRC (Personal Tax)  
David Porter – BDO  
Jacquelyn Kimber – Moore Stephens  
Tim Smith – PTCPP ITP  
Paul Miller - HMRC (CenPOL)

## 1. Welcome and introductions

Jeremy Tyler (JT) welcomed attendees to the meeting.

## 2. Minutes of last meeting, matters arising/ action points:

The minutes for the April and July 2016 meetings were agreed.

## 3. Agent services update

An update on Agent Services was provided by Angela Nagarajah and addressed a couple of queries raised during the last MTAf by the agents;

1. Whether the digital service will recognise that clients sometimes appoint multiple agents, within the same Head of Duty.
2. The lack of timelines was proving frustrating with I.T. departments unable to progress.

AN referring to the slide presentation attached explained the progress made to date on agents services and the deadlines.

The ensuing discussion raised a number of interesting points including the need for the verification of clients and agents to work both ways and whether there was any guidance on the cleansing of the data – Hugh McCann to pick this up (JT suggested that it may be useful to talk to David Allan, about data management)

During the discussion it was agreed that a bespoke meeting would be set up to go through customer journeys. AN keen to obtain feedback on the journeys being built, from the agents. [After meeting note: Bespoke meeting agreed for 4 Nov]

Access to services was queried by the agents with concerns on who and how many would be allowed access. AN advised that this aspect of the process was still being finalised.

\*\*\*AP 1– Bespoke meeting on digital agent authorisation. Agreed that the meeting would be extended to include an I.T. expert from each company.

\*\*\* AP 2 - MY to forward the slides.

## 4. Transformation

MTD – consultation update

Veronica Fell (VF) provided an update on the 6 Making Tax Digital which had been published on 15 August.

HMRC were holding a series of face to face events and webinars for the consultations with details on Gov.UK of dates and locations. VF advised that each event would cover the details in the consultations and all feedback received would be considered. Also being arranged was a talking points session (19.9.16 and 25.10.16).

The topic generated a lot of discussion including;

- 1) The feeling that whilst HMRC was to be congratulated on the consultations and the department was going in the right direction the time frame for implementation was too short. Both the AAT and CIT had consulted their members and would be writing to HMRC to that effect.
- 2) Concern on the online start up dates for large partnerships which the agents felt should be in line with large corporations.

## 5. Transformation

### Making Tax Digital for individuals update.

Andy Buckingham (AB) provided an update on the progress of the MTD for individuals. AB referring to the slide presentation attached highlighted the different types of services that could now or will be shortly available on the Personal Tax Account.

The topic generated a lot of discussion with a number of interesting aspects and queries being raised by the Forum including:

- 1) P800 repayment service. Do HMRC's statistics of the numbers of customers using the service and getting repayments align to what HMRC would expect the volume of repayments to be from the normal repayment service?
- 2) The forum voiced a frustration about the customer having to go back to the third party to ask them to contact HMRC to correct any incorrect information that may have been supplied by the third party. The forum asked why can't HMRC accept the information provided by the customer or their agent especially if they are able to evidence it with documents already received from the third party. An example was given about incorrect bank interest and a customer having bank statements for the accounts and/or interest documents. It was also mentioned that they have seen investigations start because banks have provided information about accounts that clients haven't actually held, and another forum member said that they had an instance where they had been given information about a range of customers said to have an account with a bank only to find the information was incorrect. They accepted that in the year being coded the customer could tell HMRC about the amount of interest they wanted coding out but felt it an imposition on the customer (possibly causing extra agent fees) for them to have to sort out possible erroneous information a third party may have submitted to HMRC.
- 3) Also concerns that investment managers who create tax packs of investment income, who may be asked to supply third party information will be able to properly identify the elements taxable to CG and to IT. More information needs to be provided to ensure they are better informed about the taxable elements of investments before HMRC rely on any TPI from them. The forum member has seen cases where the investment manager doesn't fully understand the taxable position and gets it wrong.
- 4) With the Check or update your company car service, will HMRC accept the information provided by the employee about a change of car even if it eventually is seen to differ to what the P46Car provides. AB advised HMRC would accept the customers details (as HMRC would should they call the helpline) but it would be reviewed after the year end when compared with P11D information. However AB to check though whether the P46 Car Information received after the customer intervention would trump the customer details.

AP 3. MY to forward the slides.

AP 4. AB to provide an update on the above queries.

## 6. Agent Strategy Update

Agents Strategy Update

Steven Taylor (ST) provided an update on a number of topics relating to professional standards and work HMRC are undertaking to strengthen the role of professional regulation.

#### Agent Standards

The agent standards had first been articulated by HMRC in February and published on GOV.UK in August which had resulted in some commentary. HMRC recognised that the handling could have been better, however for the first time standards have now been articulated which cover agents who are not members of professional bodies. It is expected the baseline standard would be updated, for example as professional standards on tax avoidance are strengthened. Jeremy Tyler (JT) advised that a submission to Excom on PCRT had been well received and would be endorsed when published. The FST was also satisfied with the PCRT.

The target date for publication and implementation is January 2017 and HMRC would like more regulatory body involvement.

#### Enforcement standards

I & SB directorate are currently looking at agents that have convictions which will inform the strategy and the policy process for dealing with those agents. A paper has been drafted on when HMRC might consider refusing to deal with agent, this which ST will send out (Action Point).

#### Data exploitation / agent segmentation

The purpose of data exploitation is to test how HMRC can use the agent data. The findings have indicated that some agents still need to address issues in their own companies for example ensure their tax returns are up to date. ST advised that there will be a number of spin off projects going forward.

#### Professional bodies

HMRC are now looking to share information with the regulatory bodies and will be putting in place a memorandum of understanding setting out agreed expectations.

HMRC are very interested in how the regulatory bodies assure their members and have compiled a data file which they will share with each professional body to ensure the details are correct. The findings will inform HMRC of the minimum standards required for professional body membership. A meeting has been scheduled for late September with professional bodies to discuss further.

The forum was interested but felt that it should be recognised that agents falling below the standards maybe due to deliberate actions for example some agents are just neglectful a bigger worry was in the forums view.

## **7. OTS CT computation**

Angela Brown (AB) outlined the background to the Office of Tax Simplification (OTS). The OTS works on projects, to date they have made 400 recommendations of which 50% have been agreed and 25% under review. A current project is the review of the CT computation following a review for the Chancellor on UK competitiveness.

### **OTS review of the corporation tax computation**

The OTS has agreed with the Chancellor and the Financial Secretary to carry out a review of the CT computation. The basis of the project is that simplification of the tax computation, and reduction in administrative burdens, is desirable. OTS will provide an update on their work before Autumn Statement 2016, and final recommendations by Budget 2017.

In carrying out this review, the OTS are considering all the differences between accounting profit and corporation tax profit, the extent to which they align with a modern business environment and the administrative burdens they create. To help with this, some questions were posed at the Mid-Tier Agents Forum on 13 September:

**Tax needs to be simple and support business: what does this mean to you, and the businesses you represent? Where is tax not simple, in proportion to the outcome? What needs to be different?**

The topic generated lively discussion with the general feeling that different sized businesses would have different preferences in making CT simpler.

AB advised that OTS are keen to talk to business and their representatives and would forward the questions after the meeting to the forum members.

## **8. Any Other Business**

1. It was highlighted that increasingly it is becoming more difficult to agree timeframes with HMRC when agreeing liabilities in avoidance schemes. An example was provided of a case where the customer had wanted to negotiate time to pay however because they were in Judicial Review (JR) the request was declined. However the customer was on holiday when the JR finished and was faced with a penalty.

<p>***AP 5 Agreed Phil Gilbert to take this forward and report back to the next forum meeting. PAG asked that forum members provide him with examples they are aware of and he will undertake to provide an answer direct and to feed any learning points to the forum.</p>
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2. The agents voiced concerns on the implications of investment managers who create tax packs of investment income being asked to supply third party information. Fuller details can be found under item 5 Transformation – Making Tax Digital for individuals update. It was agreed that Andy Buckingham will pick this up and report back to the next forum meeting.

Next Meeting:

- 8 December 2016