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## Keeping you informed

### Introduction

Welcome to Agent Update 63. This edition includes links to all Autumn Budget announcements and news about changes to the Marriage Allowance. You can also read about the Fulfilment House Due Diligence scheme and changes to Corporation Tax online filing confirmation emails.

The Working Together section has updates on the new Trust Registration Service, Making Tax Digital for Business and SA Pre-Population Application Programming Interface.

Look out for a special SA edition of Agent Update that will be published 3 January 2018.

In the meantime may I thank you for all your support over the past 12 months.

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

Details of live consultations and response summaries, changes to HMRC service, upcoming HMRC events and guidance.

### 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

#### Autumn Budget 2017

Links to key announcements from the Chancellor of the Exchequers Budget speech on 22 November 2017.

#### Fulfilment House Due Diligence Scheme

From 1 April 2018 the Fulfilment House Due Diligence Scheme will open for online applications.

#### Get ready to send your client's 2018-19 Annual Tax on Enveloped Dwellings (ATED) return online

From 1 April 2018, all online ATED returns must be filed using the new ATED digital service. The old online forms will be withdrawn on 31 March 2018.



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## Autumn Budget

The Chancellor of the Exchequer, the Rt Hon Philip Hammond MP, delivered his Autumn Budget to Parliament on 22 November 2017. Full details of all announcements, supporting documents and further information are available from:

- [Autumn Budget 2017](#) - the Autumn Budget in full, with supporting and related documents
- [Overview of tax legislation and rates \(OOTLAR\)](#) - tax policy measures announced at Autumn Budget 2017
- [Finance Bill 2017 to 2018](#) - Supporting documents for 'Finance Bill 2017-18' - the vehicle for renewing annual taxes, delivering new tax proposals and maintaining administration of the tax system
- [Consultation documents announced at Budget](#)

## Compliance

[Disguised remuneration \(DR\): detailed settlement terms](#)

Use this guide if you need to help clients understand and settle their liabilities with HMRC if they are in a DR scheme. A DR loan charge will be introduced in April 2019. Your clients will need to settle their liability before this date if they want to avoid the charge.

## Fulfilment House Due Diligence Scheme

From 1 April 2018, the Fulfilment House Due Diligence Scheme will open for online applications.

Businesses in the UK that store any goods imported from outside the European Union (EU) owned by, or on behalf of, someone established outside the EU, will need to apply for approval by HMRC if those goods are offered for sale. The deadline for applications from businesses falling within the scope of the scheme is 30 June 2018. 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.

Registered businesses must carry out certain checks and keep certain records from 1 April 2019. Businesses covered by this scheme will not be allowed to trade as a Fulfilment Business from this date if they do not have approval from HMRC. Those that do, risk a £10,000 penalty and a criminal conviction.

Find out if you need to be registered by visiting the GOV.UK webpage [Fulfilment House Due Diligence Scheme](#).

## Have you declared all your business income?

The Card Transaction Programme is an opportunity for businesses who have not declared all their income to HMRC to bring their tax affairs up to date.

You need to declare all income, irrespective of whether you receive the money by credit card, debit card or cash payments.

If you have not registered with HMRC, or have failed to declare all income, you will need to tell HMRC about the income you have not declared by making a voluntary disclosure.

For more information visit the GOV.UK webpage [Card Transaction Programme](#).

You can also telephone 0300 123 9272 to find out if you are eligible. The line is open from 8.30am to 5.00pm Monday to Thursday and 8.30am to 4.30pm on Friday.

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## Spotlights

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

### [Disguised remuneration: a Supreme Court decision \(Spotlight 41\)](#)

On 5 July 2017 The Supreme Court released their unanimous decision about disguised remuneration tax avoidance schemes used by Rangers Football Club.

### [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 handouts.](#)

### [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.

## Corporation Tax

### [Changes to our Corporation Tax online filing confirmation emails](#)

HMRC takes data protection seriously and has a duty of care to ensure customer information is not exposed to risk. We have therefore made changes to protect the Corporation Tax Unique Taxpayer Reference.

We will be masking the first 5 numerals in our confirmation emails, in the same way as credit card companies partially mask credit card numbers. For example, you will now see the reference number displayed as xxxxx12345.

## Income Tax

### [Changes to the taxation of Termination Payments and Sporting Testimonials](#)

Changes to the income tax and National Insurance Contributions (NICs) treatment of termination payments will take effect from April 2018, subject to the will of Parliament. These include income tax and Class 1 NIC liability on all payments in lieu of notice and the removal of foreign service relief for employees resident in the UK.

The new employer Class 1A NICs charge on termination payments and sporting testimonials will start from April 2019.

Further communications and guidance on these elements will be published in due course.

## PAYE

### [Apprenticeship levy](#)

[Agent Update 60](#) included information on the apprenticeship levy, which was introduced on 6 April 2017. The levy is paid by employers with an annual pay bill of over £3 million and connected companies and charities who have an annual pay bill over this amount.

Disclosure of Tax Avoidance Schemes (DOTAS) rules will apply to the apprenticeship levy from 21 December 2017. DOTAS requires a person, usually the person who designs or sells the tax avoidance scheme, to provide details to HMRC of the scheme and how it is intended to work.

The GOV.UK webpage [Disclosure of tax avoidance schemes](#) has further information on DOTAS.

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## Employer Alignment Submission (EAS)

HMRC no longer require employers to submit an EAS before they start to make PAYE submissions in real time.

An article in the December 2017 edition of [Employer Bulletin](#) advises employers if they submit an EAS, it will still be accepted through the Government Gateway, but it will not be processed on any other HMRC systems. The submitter will not receive a success or failure response message.

## Register as an employer

HMRC have published an article in the December 2017 [Employer Bulletin](#) advising if you want to register a business with a start date on or after 6 April and you tell us in the previous tax year, HMRC will not be able to start processing the request until after 5 April.

## Student Loan notices

It is important that you take the correct action to start or stop Student Loan deductions as soon as possible. This ensures that employees do not pay any more or any less, than they should do.

Remember to:

- check your online notices for Student Loan Start (SL1) and Student Loan Stop (SL2) notices
- let HMRC know if your email or correspondence address changes, so we can ensure all your Student Loan notices and other HMRC correspondence gets to you without delay.

For further information, please see the GOV.UK webpage [Student Loan repayments: guidance for employers](#).

## Pensions

### The Pensions Regulator (TPR) update

TPR has warned employers that as well as automatically enrolling staff into a workplace pension, they must also ensure they contribute to their staff's pension every month.

The [November 2017 compliance and enforcement bulletin](#) shows that between July and August this year, TPR issued 753 unpaid contribution notices compared to 653 in the previous quarter. The vast majority of employers comply with their duties and this is a very small proportion, but any employer failing to make payments due to their staff is one too many and TPR will take action.

More information can be found on the GOV.UK webpage [Knowing your client's ongoing duties](#).

## Self Assessment (SA)

### Submitting tax returns - customers must have an active SA account

Please remember that customers must have an active SA account before they submit a tax return to HMRC. Even if they have a Unique Taxpayer Reference (UTR) from a previous tax year, they must re-register their SA account and ensure it is active before submitting their return. For how to re-register for SA please see GOV.UK webpages [Register for and file your Self Assessment tax return](#).

Using UTR on online returns without an active SA account is called an unsolicited return and could lead to customers' tax liability and calculations being wrong.

This applies when a customer wishes to submit a return but has been advised by HMRC they no longer need to and when they have a PAYE source and have received a P800 calculation. To see if your client needs to submit a tax return please see GOV.UK webpages [Self Assessment tax returns](#).

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## [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.

## [Revenue and Customs Brief 3 \(2017\): VAT - treatment of pension fund management services](#)

This brief announces a change in policy concerning the VAT treatment of pension fund management services provided by regulated insurance companies.

## Tax

### [Bank and Building Society Interest](#)

For customers who are not required to file SA returns, HMRC are changing the way they collect tax on interest earned from savings.

To support this we have been working closely with banks and building societies to develop the way the information will be shared with HMRC.

During October 2017, we wrote to customers who had a sole savings account advising that they may be liable to pay income tax on any savings interest above their individual [personal savings allowance](#).

In November 2017, HMRC began writing directly to customers where the interest on their savings exceeded the new personal savings allowance during the tax year ending 5 April 2017. We are advising them that their tax code has changed and we may collect the tax due, spread over the remaining months of the 2017-18 tax year.

For any concerns customers may have regarding this they can [contact HMRC](#) in the usual way.

## [Marriage Allowance \(MA\)](#)

Previously MA could not be claimed on behalf of a deceased partner. Legislation will be included in Finance Bill 2017-18 to allow MA claims on behalf of deceased spouses and civil partners. These claims can now be backdated by up to four years, if the eligibility conditions are met.

Further information can be found on the GOV.UK webpage [Income Tax: Marriage Allowance claims on behalf of deceased partners](#).

## [Get ready to send your client's 2018-19 Annual Tax on Enveloped Dwellings \(ATED\) return online](#)

From 1 April 2018, all online ATED returns must be filed using the new ATED digital service. The old online forms will be withdrawn on 31 March 2018.

Register now with HMRC to use the new online service before 1 April 2018.

There are many benefits to the new online service. It enables your clients to:

- receive instant access to registration details, rather than wait for them to be delivered in the post
- file all ATED returns
- get immediate confirmation of submission of a return
- save and retrieve return information before submitting to HMRC
- view or amend returns already submitted
- print a copy of a return already submitted
- get instant access to a payment reference number
- monitor their account, including any outstanding balance
- save information previously inputted, reducing the need to key in duplicate information in later years
- complete client/agent authorisation requests online.

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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 list of clients within your agent organisation.

Taxpayers can prepare for the annual reporting period and appoint their agent if they have not already done so. Go to ATED online for more information. Please note that you will not be able to submit a return for the 2018-19 chargeable period until 1 April 2018.

The ATED charge for the 2018-19 period is based on the property's value as at 1 April 2017, or the date the property was acquired if that is later.

The online service can be used to submit relief and chargeable returns.

[View a recording of the Talking Points ATED meeting.](#)

## Let Property Campaign - help for landlords

Do you have clients receiving income from property? HMRC have revised their income from property [webinar](#) and [case studies](#), in order to make it even easier for landlords to find help and support.

The webinar has been broken down into shorter, easy-to-follow sections. The case studies have been written around different scenarios and include: becoming a landlord and getting tax right.

## Updated guidance sets out how HMRC handles tax disputes

We have updated two guidance documents explaining how HMRC handles tax disputes.

The updated version of our guidance '[Resolving Tax Disputes](#)' sets out our litigation and settlement strategy (LSS). The LSS explains how we approach and resolve tax disputes either by agreement with the customer or through litigation. The new version includes updated sections covering the use of witness evidence in disputes, advice on Legal Professional Privilege, Legitimate Expectation and conceding risks.

Alongside our 'Resolving Tax Disputes' guidance, we have also published an updated version of our '[Code of Governance for Resolving Tax Disputes](#)'. The document aims to help you understand the internal governance processes we have in place to make sure we handle all tax dispute cases fairly. The main change to the code is an update to the section covering roles of the decision making bodies to reflect our current organisational design.

The updated versions of both guidance documents are available on GOV.UK and replace the versions previously available that were several years old.

## VAT

### VAT Notices

[VAT Notice 700/62: self-billing](#)

This notice explains self-billing for customers and suppliers.

[VAT Notice 706/2: capital goods scheme](#)

This notice explains how the Capital Goods Scheme works, including which items are covered by the scheme.

[VAT Notice 707: Personal Export Scheme](#)

This notice explains the Personal Export Scheme and the conditions you must follow if you want to use the scheme as a buyer or a seller.

[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.

[VAT Notice 730: civil penalty investigations - statement of practice](#)

This notice explains what happens when HMRC investigates your VAT affairs under the Civil Evasion Penalty Notice 730 procedure.

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[VAT Notice 741A: place of supply of services](#)

This notice explains how to determine the place of supply of your services.

[VAT Notice 742A: opting to tax land and buildings](#)

This notice explains the effect of an option to tax and will help you to decide whether to exercise that option.

[VAT Notice 747: VAT notices having the force of law](#)

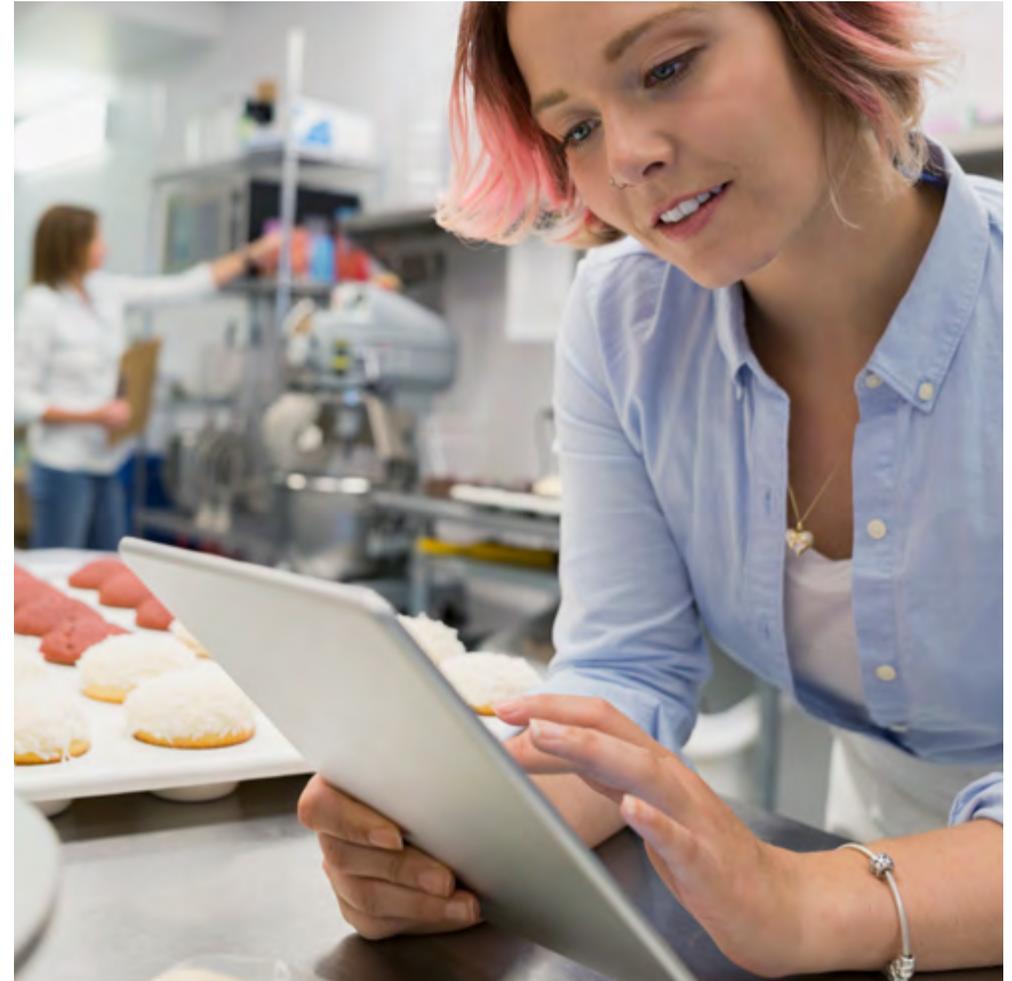
The notice provides a list of those provisions or conditions contained in VAT notices, which have the force of law.

[VAT Notice 998: refund scheme for museums and galleries](#)

This notice applies to museums or galleries that offer free admission, which are eligible for refunds under the VAT refund scheme.

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

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## Consultations open

### [Draft legislation: the Fulfilment Businesses \(Approval Scheme\) Regulations 2018](#)

This technical consultation seeks comments on the draft statutory instrument for the Fulfilment House Due Diligence Scheme.

This consultation closes 15 December 2017.

## Consultations concluded

Agent Update 63 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.

## Contact

### [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](#).

### [The Childcare Service: How agents and employers can support clients and employees](#)

HMRC has produced a new parent communications toolkit, to provide further information to parents about the 30 hours and Tax-Free Childcare. The toolkit includes:

- customer journey infographics for both 30 hours and Tax-Free Childcare
- FAQs for parents
- a factsheet for parents on how they can use their 30 hours entitlement
- a glossary for parents and providers to help explain key words associated with 30 hours and Tax-Free Childcare.

The toolkit can be downloaded from the [Childcare Choices website](#).

### [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 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 GOV.UK webpages.

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### [Where's My Reply?](#)

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.

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

### Manuals

#### [Recent manuals 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.](#)

### [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.

### Paying HMRC

#### Using the correct HMRC payslip

HMRC changed their banking supplier in 2016 to Barclays Bank.

If you, or your clients, need to pay at the bank, please use an up to date payslip showing the new bank details. Payments may otherwise be rejected. All new payslips show Barclays Bank.

Why not consider switching to paying electronically and let HMRC know that you [no longer need a payment booklet.](#)

#### Paying HMRC electronically is safer and more cost effective

If you, or your clients, pay HMRC electronically please review the reference information you provided to your bank to ensure it is up to date.

Find out more about paying HMRC on the GOV.UK webpage [Pay employers' PAYE.](#)

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

Find out about websites, emails, letters, text messages and phone calls used by scammers and fraudsters to get your personal information.

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## Publications

### [Countdown bulletin 30 - November 2017](#)

This edition provides updates about the *Scheme Reconciliation Service* timeline.

### [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](#)

Newsletters published by HMRC, giving updates and guidance on Inheritance Tax and trusts.

## Tax

### [Toolkits - Do your PAYE clients owe less than £3,000 in SA tax?](#)

Your clients could pay their SA liability through their 2018-19 PAYE tax code as long as all these apply:

- the tax due is less than £3,000
- they already pay tax through PAYE, e.g. they are an employee or receive a company pension
- a 2016-17 paper tax return was submitted by 31 October 2017 or online by 30 December 2017 (not the usual 31 January 2018 deadline for online filing).

HMRC has [20 tax agents toolkits](#) to use and download for free. Each toolkit provides:

- a checklist
- an explanation and mitigation section
- links to online guidance.

The following toolkits can support you through the SA period:

[Business profits](#)

[Capital allowances for plant and machinery](#)

[Capital Gains Tax for shares](#)

[Capital v revenue expenditure](#)

[Income Tax losses](#)

[Private and personal expenditure](#)

If your client owns land or property why not take a look at the ever popular [Property Rental](#) and the [Capital Gains Tax for land and buildings](#) toolkits.

## VAT

### [Application window for VAT data sharing opens](#)

From 11 December 2017 to 28 February 2018, UK-based credit reference agencies and similar financial organisations can apply to HMRC for authorisation to receive non-financial VAT registration data for use in making certain financial assessments, including:

- assessing credit worthiness
- anti-fraud checking
- checking compliance with financial regulations.

Data may not be passed to any other parties, except with HMRC consent. There are sanctions for data misuse, including a criminal sanction for unlawful disclosure of information relating to identifiable businesses.

For more information, go to GOV.UK webpage

[Apply to receive VAT registration data from HMRC.](#)

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## Talking Points

Have you wanted to join a Talking Points meeting but the time did not suit your busy schedule? We record all our digital meetings and share the recordings as soon as they are available with anyone who registers. You can also find a list of our recordings on our GOV.UK webpage [Help and support for tax agents and advisers](#).

Over 7,500 agents attended our live Talking Points meetings during October and November. We covered topics including: 'VAT and Motoring Expenses', 'Demystifying Certificates of Residence for Limited Companies' and 'Paying HMRC - What's Changing?'.  
Here is what you have been saying about the meetings:

- "It is helpful to hear a voice rather than putting our own interpretation on written guidance/instructions. I also find the Q&A's are very useful"
- "They provide easy to understand information in small presentations, so easy to fit into your day but keep fully informed for clients."

Due to popular demand our Talking Points meeting on 'Simple Assessment is here', resulted in two additional meetings being scheduled. If you missed the meetings, why not [listen](#) back?

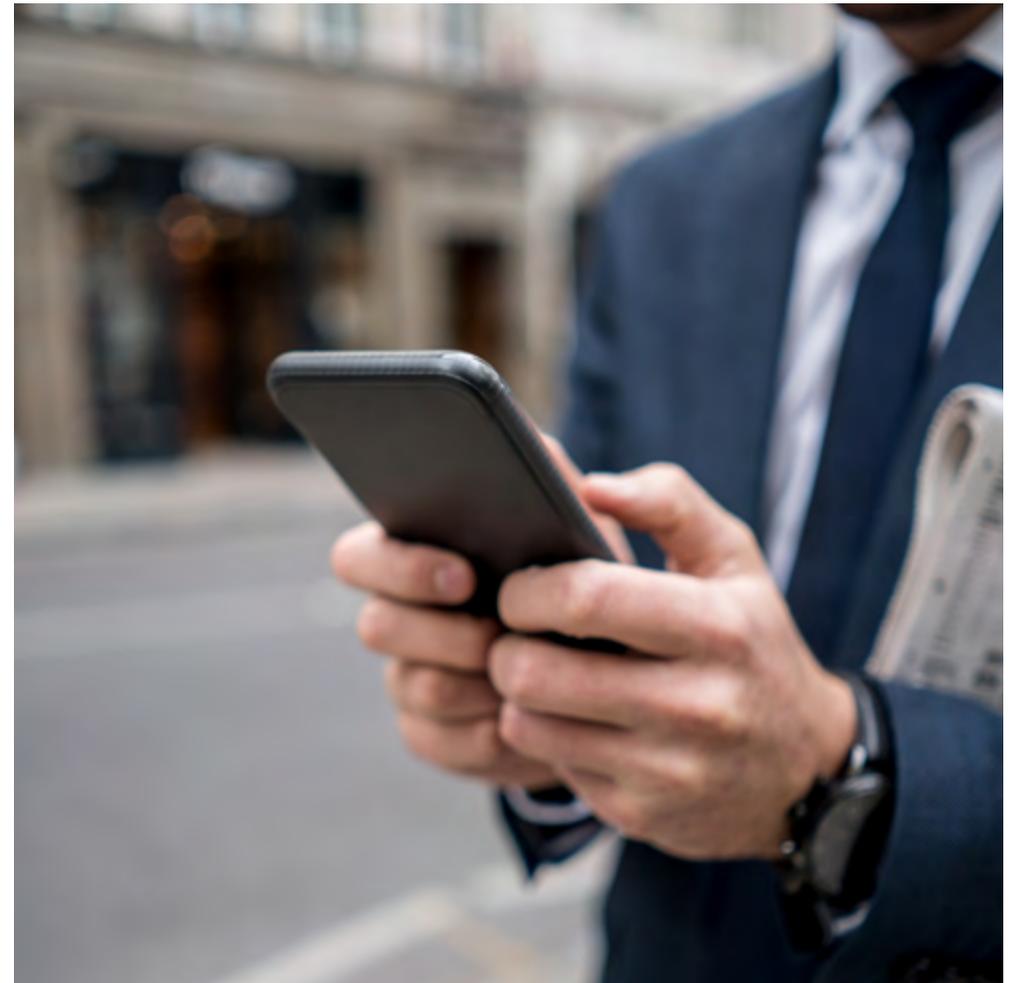
As the meetings were so well received, we are looking to schedule additional meetings on this topic in future.

You can view the latest schedule of live Talking Points meetings on the GOV.UK webpage [Help and support for tax agents and advisers](#).

We are working on a schedule of SA related Talking Points which we will host throughout January. Details of these meetings will be posted on the [Tax agent blog](#).

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

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## Agent Forum (AF)

The new AF launched in July 2017 and provides a valuable service for agents. It 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 an item
- being referred to as an issue
- view recently cleared issues
- suggest ideas for operational improvements.

The forum is continuing to increase its reach. This is evidenced by the following measures up to and including November 2017:

- 239 registered agents
- 156 issues (topics) raised - live and cleared
- 966 associated posted messages - live and cleared
- 14,357 total AF views.

The AF is hosted within the HMRC online forum in an area dedicated to agents.

As we are in the private beta Test and Learn stage, membership is currently restricted to members of Professional Bodies (PB).

To join please contact your PB, details can be found at page 17 and they will issue an invitation. This will include details of how to register and request access to the new service.

Upon registration, HMRC will send you an email confirming access has been granted. This will include terms of reference.

Issues raised on the AF are monitored and prioritised by the Issues Overview Group (IOG) who progress responses with HMRC. A Talking Points on the operation of the IOG and the AF was held on 21 November. [A recording of this meeting is available to view now.](#)

Details of all recorded Talking Points meetings can be found in the GOV.UK webpage.

## Key issues resolved and messaged on the AF since the publication of Agent Update 62

1. Issue example - HMRC's Agent Strategic Digital Proposition Design team provided a Subject Matter Expert response in respect of an AF query 'PAYE - Agents On Line beta trial'. A full response was given the day after a request was posted on the AF. This advised a system fix was in progress, closing down any concerns raised by agents experiencing the same issue.
2. Messaging example - on our AF Announcements page, messages relating to in-year fixes to the 2016-17 SA calculator being successfully implemented to correct 'Exclusion 60' were exclusively broadcast. This was followed by a further announcement for Exclusions 48-56 and 58-59 fixes, which covered the majority of cases. We also confirmed that software developers had been notified.

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## AF Priority Issues for resolution

The Issues Overview Group (IOG), made up of both HMRC and PBs, currently agree widespread issues are:

- PAYE: P800 issued allowing incorrect refunds where a client has a pension source and is also self-employed. We can confirm that we are aware of this issue and are currently looking at options to resolve
- Priority 1: Topic closed/not cleared - Reply received - estimated bank interest with refund - P800. We cleansed customer records to implement the withdrawal of tax deductions from bank and building society interest. We have identified that some were not fully cleansed, resulting in incorrect repayments. We are currently analysing affected cases.

If you want to know more about the issues being discussed at the IOG or you want to have your say, please contact your PB.

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

## Agent Account Managers (AAMs)

The AAMs provide a service to help resolve client-specific issues. The AAMs act as an intermediary between agents and HMRC where the normal communication channels have broken down.

This facility can be alternative to a formal complaint being raised.

To use this service you need to:

- [complete the online registration form](#)
- hold [64-8](#) authority to act on behalf of your client
- demonstrate you have attempted to resolve the issue through normal HMRC channels.

AAMs do not give advice on technical matters or the interpretation of tax legislation and guidance.

During November 2017 the most common issues were:

- SA Repayments - Progress chasing repayment requests made by return/online/post
- SA correspondence - Letters sent progress chasing forms SA400 and SA1
- Agent Maintainer Issues - Deeds of Assignment rejection/missing 64-8 form
- PAYE correspondence - Letters sent progress chasing disputed charges, missing payments based on Real Time Information mismatch of information and penalty disputes
- progress chasing Trusts & Estates registrations, Corporation Tax pre-liquidation repayments.

For more information about the AAM service, please visit the GOV.UK webpage [Agent Account Managers in HMRC](#).

## Cyber Security advice

Agents are reminded that under HMRC Agent Standards that you have a responsibility to protect your clients data and confidentially. The National Cyber Security Centre offers a range of guidance on staying secure online, which can be found on the GOV.UK [National Cyber Security Centre](#) webpages.

## Windows 7

Windows 7 has recently had its 8th birthday, which is a long time in computer security terms. Malicious software has significantly increased in sophistication and volume since 2009 and the threats are very different today.

It has been more than 2½ years since Microsoft ended mainstream support for Windows 7 and security updates will cease in January 2020. Newer operating systems, such as Windows 10, have many more modern security features that make it far more difficult for attackers to compromise. This does not mean Windows 7 is not safe. And whilst security updates are still being released and applied, it should be resilient to common attacks.

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Microsoft also offers the Enhanced Mitigation Experience Toolkit (EMET) which can protect Windows 7 further with some of the advanced security features found in Windows 10. If agents are still running Windows 7 and have an IT team able to configure EMET, it is certainly worth considering. It is also worth planning your upgrade from Windows 7 before January 2020, when Microsoft will stop fixing security holes, leaving remaining Windows 7 users at significant risk.

## HMRC Agents Strategy

The importance of agents was recognised in the recently published [HMRC Strategy](#): ‘We welcome the use of agents to represent customers where they add value in helping their clients to get their affairs right. Agents can play a key role in helping people meet their obligations, while also supporting us in our ‘one to many’ relationship with customers’.

HMRC’s Agents Strategy has been developed over the years through consultation with PBs and paid tax agents. Much has already been achieved including development of the Agent Services Account, a digital portal which will allow agents to access their clients’ information over time. And the range of support and information available to agents including the AF, Talking Points and the agents’ toolkits. The refreshed Professional Conduct in Relation to Taxation will contribute to driving up standards. Co-design will continue to play a significant part in the development of HMRC’s future relationship with agents. In the coming months there will more activity to make the Agent Strategy a reality.

HMRC engages regularly with the PBs and other stakeholders to ensure the voice of agents is shaping the delivery of our future services.

## Making Tax Digital for Business (MTDfB)

We continue to work with volunteer agents and their clients on testing and developing the MTDfB service for income tax and national insurance - this is for businesses with income from self-employment, or landlords with income from property.

We will shortly move into the public beta phase of Income Tax Self Assessment (ITSA) MTDfB as we continue to test and refine the service. This means we will open it up to more agents and businesses, gradually increasing the numbers of users to include the full range of ITSA businesses. Initially, the service will only be available to businesses who already interact with us for income tax purposes, and for their existing agents. In due course, it will be available to new businesses and new agent/client relationships too. Agents who have created an Agent Services Account will be able to sign up their clients to the new service through GOV.UK (as long as they have an existing, authorised SA relationship with the client). Agents can then use their MTDfB enabled software to submit quarterly income and expenditure for their client. All the relevant guidance will be available on GOV.UK.

As you prepare for the transition to MTDfB, ensuring your clients keep business records digitally is the most important step you can take. 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 and they are already using software, you should check with your software provider when their ITSA products will be ready for MTDfB.

The Government announced on 13 July that it will include legislation for MTDfB in the next [Finance Bill](#). This has now passed through Parliament unamended and has Royal Assent. There is an overview of the legislation and Income Tax Regulations on GOV.UK webpage [Making Tax Digital reforms affecting businesses](#).

The VAT regulations will be published shortly, followed by the usual period of consultation.

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We are already working 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 [watch a recording of the Talking Points meeting Making Tax Digital for Business](#).

## SA Pre-Population Application Programming Interface (API)

New Pre-Population APIs will allow agents using tax software products to access client data whilst completing a SA return. HMRC is planning to make the APIs available for software developers in time for SA Peak. However, **we are introducing an identity check on agents who use them** in order to further safeguard customer data.

### What will agents need to do?

Before using the APIs, agents will need to pass an identity check. Agents will only have to do this once every 18 months and only once per agent SA Code.

Agents will not have to complete the check every time they use the APIs, so we believe this balances our need to keep customer data safe with maintaining a straightforward user journey for agents.

In the first instance, an agent will need to answer some questions based on data we hold - e.g. details from their UK passport or most recent P60. It must be the owner of the Government Gateway account who completes this check. This check is similar to the ones we perform on individual taxpayers and we plan to continue to strengthen the checks over time and make them more specific to agents.

### How do I use this service?

If you are interested in using the SA Pre-Population APIs, please speak to your software provider in the first instance.

### Background

The new APIs will allow access to client data including employments, income, tax, benefits, Class 2 NICs and Marriage Allowance.

We have been trialling a pre-release version of the APIs since April 2017. We are listening to feedback from agents and continuing to improve the APIs but they are already proving useful. Agents involved in the trial have reported a 13% reduction in the need for client contact and an 18% reduction in the need for HMRC contact.

The APIs give access to sensitive income and tax data. In the wrong hands, this data could be used for identity theft. We know that organised criminals target tax agents, so the threat is very real and this is why we are taking extra measures to help keep customer data safe.

### 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 (UTR). Trustees must ensure the Trust Register is accurate and up to date, to ensure their obligations under [4th Money Laundering Directive legislation](#) are complied with.

The new TRS was opened up to agents in October 2017 and as part of this digital service, agents will be taken through the steps to create an Agent Services Account before they can [register on behalf of trustees](#).

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In this first year of the TRS, there will be no penalty imposed where registration of trusts that incur a liability to income tax or capital gains tax for the first time is completed after 5 October but before 5 January 2018. This is to allow sufficient time to complete the registration of a trust or complex estate, for SA, and provide beneficial ownership information.

Where the trust is already registered for SA, or does not require registration the trustees (or their agent) of either a UK or non-UK (express) trust that incur a UK tax liability, must provide beneficial ownership information about the trust, using the TRS, by 31 January after the end of each tax year. For this, the first year of operation only, HMRC will not impose a penalty on the failure to register existing trusts on TRS by 31 January 2018 but do so no later than 5 March 2018.

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

## How to register

You need to have an Agent Services Account. If you already have one, you need the User ID and password you created when you set up the account.

If you do not have an Agent Services Account but you have used HMRC Online services before you can create one the first time you register a trust. You will need to create a new Government Gateway ID and use those new Government Gateway credentials as part of setting up your Agent Services. You will also need your agency's UTR and postcode.

You can [find out what information you need to register a trust](#) on GOV.UK and once you have all the information you need, you can [register your trust online](#).

You can save your progress, however, at the moment you cannot update your registration once you submit it.

## What happens next

We will send your client a UTR - you will need it to send a tax return using the [Self Assessment for Agents HMRC Online Services](#).

Further guidance:

- find out more on the GOV.UK webpage [Trusts and taxes](#)
- in the [September 2017 HMRC Trusts and Estates Newsletter](#)
- you can also [watch a recording of the November Trust Talking Points Meeting](#).

## Agent Services Account

Agents who need to use the TRS and those volunteering to participate in MTDfB, will sign up for an Agent Services Account. Creating an account is a one off process. In addition to creating an Agent Services Account, those agents volunteering to participate in MTDfB can also test the following services:

- linking existing SA 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 SA 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.

The authorisation service, which is being tested with the user, 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.

You can view a recording of the recent Talking Points meeting on the [Agent Services Account](#) which provides an update on testing and availability of services.

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## 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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