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## Keeping you informed

### Introduction

Welcome to Agent Update 66. We have a section dedicated to, Making Tax Digital and articles about subjects such as, Fulfilment House Due Diligence Scheme and the digitisation of Venture Capital Trust from 31 March 2018.

The Working Together section contains updates from both the Agent Account Managers and the Agent Forum.

If you would like an email reminder each time we publish Agent Update, please sign up by clicking on the link, [Agent Update](#).

Please send your comments, thoughts and views about Agent Update by email to, [mailbox.digitalsupport@hmrc.gsi.gov.uk](mailto:mailbox.digitalsupport@hmrc.gsi.gov.uk).

### Making Tax Digital

The latest developments in HMRC's, Making Tax Digital.

### Tax

We report on the developments and changes to legislation and allowances relating to UK tax.

### HMRC service

This section provides details of live consultations and links to responses, changes to HMRC service and guidance.

### Talking Points

For all your information about how to register for future meetings and, how to watch our recorded meetings

### Working Together

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

### This month's top articles

#### Fulfilment House Due Diligence Scheme (FHDDS)

The deadline for FHDDS applications from existing fulfilment businesses is 30 June 2018.

#### Cyber Security

HMRC advises about the risks of malicious software ('malware') delivered by email, and recommends caution when opening attachments and clicking links.



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## Making Tax Digital (MTD)

### Helping you plan for MTD

This article provides a step-by-step guide to help you or your agent firm get ready to bring clients into MTD and submit their tax data through MTD-compatible software.

We'll take you through:

- what is MTD?
- what you and your clients can do to plan and prepare
- the set-up activities you need to do
- how to set up your agent services account
- how to link your MTD-compatible software
- how to bring your existing and new clients into MTD.

### What is MTD?

MTD is a key part of the government's plans to make it easier for businesses to get their tax right and keep on top of their tax affairs. HMRC's ambition is to be one of the most digitally-advanced tax administrations in the world, modernising the tax system to make it more effective, more efficient and easier for customers to comply.

Keeping digital records and providing updates to HMRC directly through MTD-compatible software will help reduce errors, cost, uncertainty and worry.

This streamlined digital experience will integrate tax into day-to-day business record-keeping, so that businesses can view their tax position in-year and be confident that they have got their taxes right.

### When is this due to happen?

You can sign up a client to MTD for Income Tax now, although the service will remain voluntary until 2020 at the earliest.

From April 2019, MTD for VAT will be mandatory for businesses whose turnover is above the VAT registration threshold (currently £85,000). This means that those businesses will have to keep records digitally and use MTD-compatible software to submit their VAT Returns to HMRC.

It will remain voluntary for VAT-registered businesses below the VAT threshold until 2020, at the earliest.

## What you and your clients can do to plan and prepare

### Your clients

As the VAT service is in an invitation only phase, GOV.UK written guidance is not yet available. For information on VAT eligibility, visit our digital guidance products, [Help and support for Making Tax Digital](#). The pilot will be opened up more widely later this year.

Even if your clients are not eligible to join yet, or don't want to, encouraging them to start keeping digital records now if they don't already will make the transition much more straightforward later.

You can sign up a client to the MTD Income Tax pilot now. Currently, the client will need to be a sole trader with income from one business and/or have income from property (excluding furnished holiday lettings). For more information about the service and business eligibility, please visit, [Use software to send Income Tax updates](#).

To help prepare your clients it will be good practice to support them in keeping records of their income and expenses digitally through software.

You can also help your clients to sign up for a Business Tax Account, as some MTD services will be hosted in that account. You can find more information on GOV.UK at [HMRC services: sign in or register](#).

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## Your agent firm

When you sign up clients to MTD you will need MTD-compatible software that allows you to send regular Income Tax updates and submit VAT Returns to HMRC.

If you're already using accounting software, check with your supplier when or if it will be MTD-compatible.

You can find details about which software packages support the MTD Income Tax pilot on GOV.UK, [Software for sending Income Tax updates](#). Details about available software for VAT will be published once the pilot enters its public phase.

## What actions can I take?

Before your agent firm can access Making Tax Digital services, you need to set up your new agent services account.

## Who can set up an agent services account?

Any UK-based accountancy service provider who has an Anti-Money Laundering supervisor can set up an agent services account. You can register your business for Anti-Money Laundering supervision with your professional body or at [Register your business for money laundering supervision](#) on GOV.UK.

Your agent firm does not have to sign up to pay their own taxes through MTD, to use the agent services account or to act for clients in MTD.

Right now, only UK-based agent firms, or agent firms with a UK address, can set up an agent services account. If you are an overseas agent who would like to take part in the trial service for overseas agents later in 2018, more details will be available at a later date.

## Why do I need a new agent services account?

As an agent firm you need an agent services account to access new HMRC online services, including MTD.

It does not replace any of the existing HMRC online services you use, which you will continue to access in the same way you do now.

You only need one new agent services account for your organisation.

You will need to have set up your agent services account to use all new services we develop for agents in the future.

You will only be able to access tax services for your clients through your software or through GOV.UK, not from your agent services account.

## How do I set up an agent services account?

You can set up your agent services account now. Go to [Get an HMRC agent services account](#).

You can also use this link to sign in to your agent services account, once you have set it up.

## Who should set up the agent services account?

You need to be the person responsible for your agent firm's tax or administrative matters to set up the account. The account gives you administrative control over your agent firm's access to new HMRC online services.

## Before you start

You will need:

- your agent firm's Self-Assessment or Corporation Tax Unique Taxpayer Reference (UTR)
- and the postcode associated with that reference.

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You will get a new agent Government Gateway ID when you set up an agent services account. You will need this ID to access MTD services even if you already use a different one for other activities. You will also get an account number which is in the format ARN-1234-567. This will always be visible on your agents' homepage.

You will need to keep hold of your existing Government Gateway IDs, if you have them, to continue to use them for clients in the way you do now. When signing in to HMRC to act as a business, you should use your existing business Government Gateway ID, not your new agent services one.

When you have set up your account, you will have access to new administrative digital services from the agents' homepage, such as adding clients to the account.

In the near future, you will be able to manage users within your agent services account, and will have the option to add an extra layer of security through 2-step verification on your account log in.

## Add clients to your agent services account

Before representing a client you have an existing relationship with in MTD, you will need to add them to your new account.

To do this:

- add each of your agent Government Gateway IDs to the account - these are the Government Gateway IDs which you use to access HMRC online services for your clients and are linked to your agent codes
- you can do this by accessing the 'link your existing client authorisations to this account' service, which you can find on the agent services account homepage.

By linking your existing clients to your account, you will not have to request authorisation from these clients when they join MTD. The relationships which can be linked are:

- for MTD for income tax - a relationship created for Self Assessment through a paper 64-8 or using online agent authorisation

- for MTD for VAT - a relationship created for VAT using online agent authorisation only.

At this point, you have completed all the setup tasks you can do ahead of MTD-compatible software being made available by your software provider.

## How to link your MTD-compatible software

Before you can send Income Tax updates/VAT returns on behalf of your clients in MTD, you must link your MTD-compatible software to send updates and reports to HMRC.

You cannot do this until you have set up your agent services account, as you will need to use the Government Gateway ID and password you received when you set up your agent services account.

There are two steps you will need to take to link any MTD-compatible software:

- add an extra layer of security through 2-step verification.

This is a common security step in many digital services, such as banking and some HMRC Digital Tax Accounts. Once you have set this up, you might be prompted every 18 months to keep your software link up-to-date. The access code is linked to a device, for example a mobile phone or landline, and only one person in your organisation needs to do it

- confirm your identity.

You might be asked to confirm your identity every 18 months to keep your software link up-to-date. Only one person needs to confirm their identity in your organisation. We suggest this is the owner, director or lead partner.

So, now your software has been linked, you can send MTD Income Tax updates and VAT returns on behalf of your clients.

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## How to sign a client up for MTD

You can currently do this at, [Agents: use software to send Income Tax updates](#), or your software provider may have added a link in their software.

First, sign in with the new Government Gateway ID you set up for your agent services account, and then enter the details about the client you are signing up. For VAT, this includes your client's VAT number and other information relating to the business. Please note that as part of signing up a client to MTD, you may be asked for additional information including your client's email address. By signing up your clients to MTD, you are agreeing for them to get emails from HMRC instead of letters.

For General Data Protection Regulation (GDPR) reasons, make sure that you use your clients email address when asked to do so, and not your own.

By signing your client up to MTD, you are agreeing to the Terms of Participation on their behalf. This means their tax obligations will change, including a deadline for the first quarterly update.

As you have linked your software with HMRC, you have now completed all the activities that will enable you to send the first update on behalf of a client when it is due.

## Where to find help

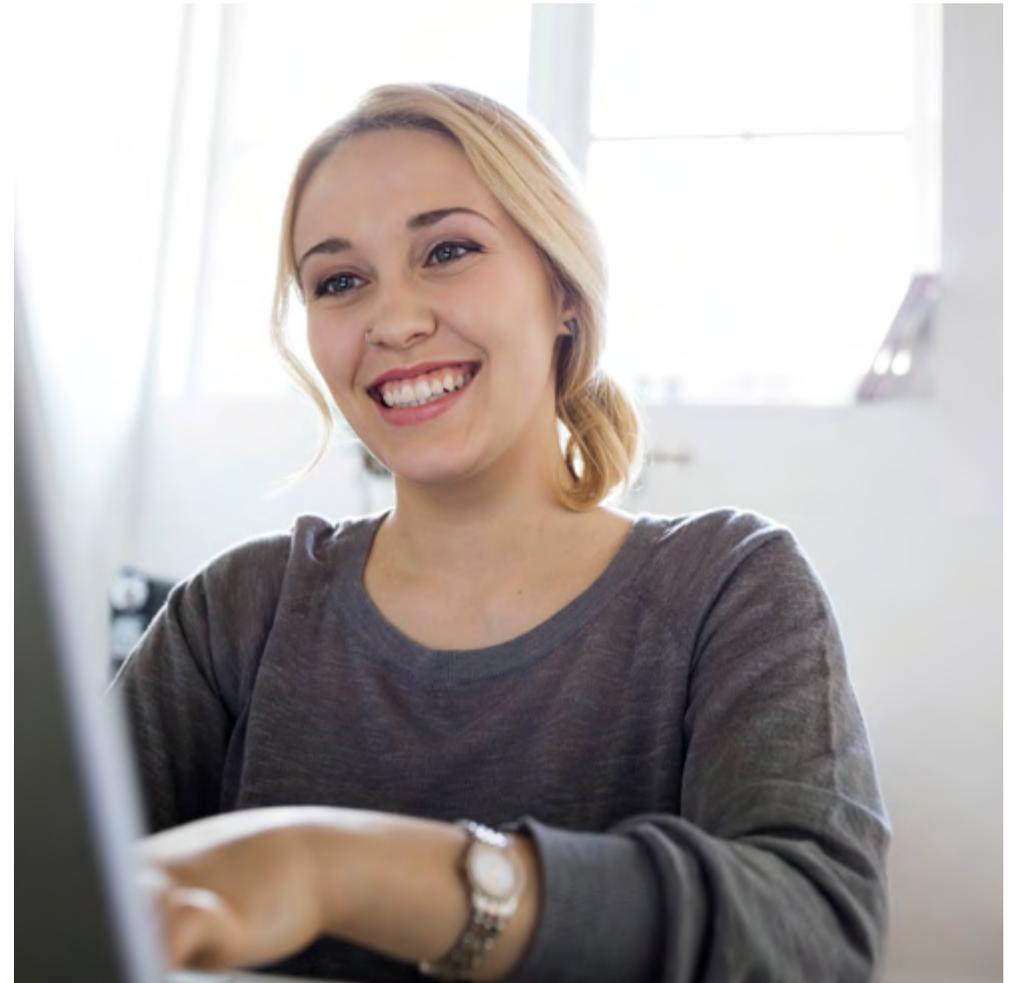
Here are the links to the most commonly visited GOV.UK pages for MTD. These will be updated to keep you informed of the service:

- [Get an HMRC agent services account](#)
- [Agents: use software to send Income Tax updates](#)
- [Software for sending Income Tax updates.](#)

You can also check out the digital support products available on MTD, via GOV.UK:

- [Help and support for Making Tax Digital.](#)

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## Compliance

### Deadline looms - 30 June 2018, for Fulfilment House Due Diligence Scheme (FHDDS) applications

The deadline for FHDDS applications from existing fulfilment businesses is 30 June 2018.

Businesses in the United Kingdom (UK) that store any goods imported from outside the European Union (EU) that are owned by, or on behalf of, someone established outside the EU, must apply for approval by HMRC, if those goods are offered for sale in the UK.

Businesses that started trading on or after 1 April 2018 need to apply on or before 30 September 2018. There are penalties of up to £3,000 for late applications.

Registered businesses must carry out certain checks and keep records from 1 April 2019.

If a business meets the criteria of this scheme but does not have approval from HMRC, they will not be allowed to trade as a fulfilment business from 1 April 2019 and risk a £10,000 penalty and a criminal conviction.

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.

More information, including how to register, can be found at, [Apply for the Fulfilment House Due Diligence Scheme \(Notice FH1\)](#).

### Corporate Interest Restrictions (CIR)

Groups within the scope of the CIR rules are required to appoint a reporting company and submit an Interest Restriction Return (IRR).

The normal deadline for appointing a reporting company is 6 months after the end of the period of account. If you have missed this deadline, please contact your Customer Compliance Manager, or if you do not have one, contact, [interest-restriction.mailbox@hmrc.gsi.gov.uk](mailto:interest-restriction.mailbox@hmrc.gsi.gov.uk).

Once a group or HMRC has appointed a reporting company, it is required to submit IRRs. An IRR is not valid unless the reporting company has been properly appointed. The reporting company must submit a full IRR if a restriction arises. If there is no restriction, it may submit an abbreviated IRR; this identifies group members but does not include calculations.

The normal time limit for filing an IRR is 12 months after the end of the period of account or if later 3 months after the appointment of the reporting company. There is an extended filing deadline on commencement: any IRR submitted by 30 June 2018 is on time.

However, if the submission deadline is missed, a penalty can arise.

A digital form is provided for electronic submission, accessible from the webpage [Corporate Interest Restriction on deductions for groups](#).

Templates are available on the same webpage.

The most appropriate template can be completed and attached to the digital form. Together, the digital form and the template make up the IRR.

For more information on the CIR rules, see [Corporate Interest Restriction guidance](#).

### Digitalisation of Venture Capital Trust (VCT) return

From 31 March 2018, paper VCT returns are no longer accepted by HMRC.

If your client needs to complete the VCT regulation 22/22A return, they will have been sent a new template spreadsheet and user guide.

Guidance will be available on GOV.UK, and more information will be provided in the next Agent Update.

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## Guidance published for £1,000 trading and property income allowances

The trading and property income allowances, which were introduced in 2017, are two new allowances of up to £1,000 each for individuals with trading or property income. These new allowances seek to simplify the tax system for many taxpayers, but have some more complicated aspects, which are explored in detail in the new technical guidance published in HMRC's, Business and Property Income Manuals.

The legislation applies the allowances retrospectively from 6 April 2017 so agents' clients will be using the allowances already. Agents need to be aware of them so that they can help clients use them correctly. HMRC are working with the ATT and LITRG among others to make sure these allowances and the complications surrounding them are well publicised.

We have published guidance on GOV.UK for unrepresented taxpayers and have new sections of HMRC's Business and Property Income manuals at the following links:

[Tax-free allowances on property and trading income](#)

[HMRC internal manual](#)

[Property Income Manual.](#)

## Ensuring employers meet their automatic enrolment (AE) pension duties

In our latest compliance and enforcement report, we have again demonstrated how we are using our powers to safeguard pension savers.

The bulletin for January to March 2018 shows how we are ensuring employers meet their AE pension duties.

This quarter's enforcement action represented over 20% of the AE powers we have ever used, including nearly 20,000 Compliance Notices, over 11,000 £400 Fixed Penalty Notices and over 2,500 Escalating Penalty Notices for those who persistently failed to meet their duties.

This high number was due to a influx of employer staging dates in autumn 2017, with their declaration of compliance due date, falling five months later.

We also successfully prosecuted a company and its managing director for falsely claiming they had put their staff into a pension. Employers who deliberately put incorrect information on their declaration of compliance risk being found out in a number of ways, including spot checks or whistle-blowers.

Huge numbers of employers are starting their workplace pension's duties every month and the vast majority are successfully meeting their duties.

However, where an employer fails to do the right thing for their staff, we will take action using the wide range of powers available to us.

## Company Tax Unique Tax Reference (UTR)

Every year HMRC receives a large number of phone calls from agents and companies asking for the Company Tax UTR. Having a UTR ensures you and your clients can do business with us, including signing up for our online services and filing a tax return. However, dealing with these calls takes time and resource. For security reasons we are unable to provide this information over the telephone.

HMRC issues a UTR to all new companies on registration. In the future, if your clients register at Companies House using '[Register your company, Register online, Register Now](#)', they will also be able to see their UTR online once the registration details have been passed to HMRC.

It is important the UTR is kept secure and is quoted every time you contact us. Please ask your clients to pass their UTR to you and to keep a note of it themselves. If your clients lose their UTR and have registered for our online services, they can find it in their Business Tax Account. Alternatively, the UTR can be found on our form CT41G or other letters we have sent them.

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## The Trusts Registration Service

The Trusts Registration Service (TRS) has been available for agents since October 2017. It enables agents to register their client's trust and complex estates online.

We would like to remind UK agents that paper registration forms should no longer be used. Unless you have an agreement with HMRC to use paper forms, we will reject any paper forms received.

We are aware that some agents encountered problems with Agent Online Services but these issues were rectified by 12 January 2018.

HMRC will not automatically issue penalties for late TRS returns. We will take a risk based approach instead. We will take into account the efforts made by trustees or their agents to meet their obligations. We will ask for an online registration to be made within six weeks of the issue date of the paper form rejection letter.

Further guidance

- find out about the TRS at, [Trusts and taxes](#)
- and there is more information in the [HMRC Trusts and Estates Newsletter: March 2018](#).

For Trusts Registration enquiries email [trust.register@hmrc.gsi.gov.uk](mailto:trust.register@hmrc.gsi.gov.uk).

## Volunteers wanted

We are holding research sessions to improve our Trust and Estates service and to help us understand agent's requirements.

We would like to hear from agents interested in participating in the following research:

- updating or amending client's Trusts/Estates
- experiences of Trusts/Estates online registrations, focussing on common issues and problems
- observation of agents registering new Trusts/Estates for their clients.

If you are interested in taking part in any of these sessions or you have any questions, please contact, [charlotte.blackburn@digital.hmrc.gov.uk](mailto:charlotte.blackburn@digital.hmrc.gov.uk).

## Spotlight

'Spotlight', is about Tax avoidance schemes currently in the spotlight.

To find out about identifying avoidance schemes, disclosing avoidance schemes and much more, go to, GOV.UK - [Tax avoidance](#).

## Corporation Tax

### Repayments made easier - Corporation Tax

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 us with their bank account and sort code each time they submit a return or amended return. It must be a UK bank account in the company's name or authorised nominee. 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.

## Expenses and Benefits

You can find useful information regarding Expenses and Benefits in, [Employer Bulletin June 2018](#).

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## Income Tax

### Tax is changing in Wales - Income Tax

From 6 April 2019, the Welsh Government will be able to set and vary the rate of Income Tax paid by Taxpayers who live in Wales. This means that some of the income tax will be paid to the Welsh Government, unlike the current system, where all income tax is paid to the UK Government to fund spending across the UK. HMRC will still be responsible for collecting the tax.

Taxpayers resident in Wales employed or in receipt of a taxable pension will have the letter 'C' as a pre-fix to their tax code. It is important to tell HMRC if you change your address using the [Personal Tax Account](#).

For more information about income tax in Wales see the [Welsh Government website](#). Those that complete an online Self Assessment tax return will be asked to confirm their country of residence on the return.

## PAYE

### Apprenticeship levy

Make full use of the apprenticeship levy.

As an employer, you will have to pay the apprenticeship levy each month if you:

- have an annual pay bill of more than £3 million
- are connected to other companies or charities for Employment Allowance, which in total have an annual pay bill of more than £3 million, see: [Employment Allowance: further guidance for employers](#).

You can find information on the GOV.UK webpage, [How to register and use the apprenticeship service as an employer](#).

### Transferring apprenticeship service funds to another employer

If an employer who pays the apprenticeship levy does not plan to use all of the funds in their apprenticeship service account, they can now make a transfer to another employer to support them in taking on apprentices.

Transfers is the first big flexibility we are offering to employers to help make apprenticeships work better for everyone, enabling larger employers to support other employers, for instance in their supply chain, sector or local area.

For more information, see [7 pointers to help employers prepare for transfers on the apprenticeship service](#).

### Future developments for the apprenticeship service

Is your organisation using the apprenticeship levy to its full potential for training your workforce? [Watch these short videos to understand how to use the apprenticeship service](#), and keep up to date by following [@ESFAdigital](#) on Twitter and [reading the ESFA blog](#).

If you have any queries about the apprenticeship service, please call 08000 150 600 or email [helpdesk@manage-apprenticeships.service.gov.uk](mailto:helpdesk@manage-apprenticeships.service.gov.uk).

### Social Care Compliance Scheme (SCCS)

The government recognises the challenges the National Living and Minimum Wage (NMW) is placing on employers of social care, regarding sleep in shifts and is exploring options to minimise any impact on the social care sector.

The SCCS delivers an interim approach to HMRC's enforcement of NMW in the social care sector while the government explores options to minimise the impact of financial liabilities associated with sleep-in shifts. Eligible social care employers can apply to join the SCCS up until 31 December 2018, subject to HMRC's discretion.

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If an employer is accepted into the SCCS they will be provided with support in self-reviewing their compliance, however will be required to declare any arrears identified by 31 December 2018, and repay any arrears due to workers by 31 March 2019, regardless of when they join the scheme.

Employers who enter the SCCS will need to self-review their records as far back as any NMW risk existed, up to 6 years.

Detailed guidance covering how to make payment of any arrears and guidance from the pension regulator has been provided to social care employers who have entered the SCCS.

For further information on SCCS please visit, [Tell HMRC if you've underpaid National Minimum Wage in the social care sector](#).

## Student Loans

### Student loan start notice (SL1) - deductions already started

There is an upcoming change to the student loan system which means that for all new employments an SL1 will be sent to the employer even if they send in a Full Payment Submission showing they have already started taking deductions.

If an employer receive an SL1 for an employee who is already having deductions taken then they should:

- check the student loan plan type to ensure there has been no changes
- update their payroll software, if there has been a change to the plan type
- file the SL1 away.

They do not need to inform or return the SL1 to HMRC.

We will have further information in a future edition of Agent Update.

## Tax

### First Soft Drinks Industry Levy return due in July

If your client is a packager of [drinks that are liable for the Soft Drinks Industry Levy \(SDIL\)](#), or they need to report [drinks that have been brought into the UK](#), they will need to send a return to HMRC every quarter, and pay any levy due.

The returns will be for fixed reporting periods ending June, September, December and March. They must submit the returns and pay any levy due within 30 days of the end of each reporting period.

If your client is registered for the levy and has nothing to report for a period, they should submit a nil return, unless they are only registered as a [small producer](#), producing less than one million litres of liable drinks.

### How to submit a return

Your client needs to be registered for the levy before they can submit a return.

If they are a producer, importer or packager of soft drinks and have not yet registered for the levy, they should go to, [Register for the Soft Drinks Industry Levy](#), to check if they are liable and register. If they are liable and fail to register, it is a criminal offence. They may be prosecuted or charged penalties if they do not submit a return and pay any levies due at the right time.

Returns can only be submitted once the accounting period they are reporting on is over.

Submit a return and pay the [Soft Drinks Industry Levy \(notice 2\)](#) from July 2018.

If your client doesn't file their return on time, HMRC can charge them an estimate of what they owe.

Your client must pay the levy through the [online service](#) by either Bacs (Bankers Automated Clearing System) or CHAPS (Clearing House Automated Payment System). They'll be able to do this from July 2018.

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## Consultations open

### Public Consultation: Off-payroll working in the private sector

In April 2017, the government reformed the off-payroll working rules for engagements in the public sector.

In the Autumn Budget 2017, the government announced it would consult on how to tackle non-compliance with the off-payroll working rules in the private sector.

The consultation provides an early evaluation of the public sector reform, which shows that public sector compliance is increasing as a result. It also invites responses on how best to tackle non-compliance in the private sector. The consultation runs from 18 May 2018 to 10 August 2018.

We are keen to understand the issues that are most important to you so we can factor these into the discussions. If you would like to respond to the consultation, please email us at [offpayrollworking.intheprivatesectorconsultation@hmrc.gsi.gov.uk](mailto:offpayrollworking.intheprivatesectorconsultation@hmrc.gsi.gov.uk). If you would like to attend a round table event, please email us on [offpayroll.roundtablerequest@hmrc.gsi.gov.uk](mailto:offpayroll.roundtablerequest@hmrc.gsi.gov.uk).

### Alternative method of VAT collection - split payment

This consultation seeks views on possible options for how a potential split payment mechanism could work to combat online VAT fraud.

**This consultation closes on 29 June 2018.**

### Draft guidance: reform to workplace charging tax exemptions

This technical consultation seeks comments on workplace charging tax exemptions for electric and plug-in hybrid vehicles.

**This consultation closes on 05 July 2018.**

### Tax and administrative treatment of short term business visitors from overseas branches

HMRC is inviting views on how to improve the tax and administrative treatment of short term business visitors from overseas branches of UK companies.

**This consultation closes on 06 August 2018.**

Agent Update 66 contains all the new open consultations 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 agent's 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 for agents.

### Twitter

Tweets cover information about HMRC and tax including, news, publications, information, consultations, speeches and publicity campaigns. Follow us on Twitter @HMRCgovuk.

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## HMRC service

### [Complain to HMRC](#)

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

### [Employers need to register for Email Updates](#)

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

### [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 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.](#)

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

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

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

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

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

### HMRC: Trusts and Estates 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 32: February 2018 has been added to this collection. This publication provides important guidance and information to pension scheme administrators about the end of contracting-out.

### Pension schemes newsletter 99: May 2018

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 bulletins announce changes in policy or set 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.

## Toolkits

If you are reporting benefits provided to employees for year ending 2018, remember the deadline is 6 July.

The ever popular [HMRC expenses and benefits from employment toolkit](#), can be used as a source of reference. The toolkit provides guidance on areas of error that HMRC see in returns and submissions. It also sets out the steps you can take to reduce those errors.

The toolkit contains sections about; vehicles, travel, subsistence and entertainment, personal bills and the use or transfer of assets. We also have a new section about optional remuneration arrangements.

Toolkits are updated each year to reflect changes in the relevant Finance Act and in April, we advised you the 2018 toolkit refresh had begun.

Since the last edition of Agent Update, we have updated the following toolkits:

[HMRC trusts and estates toolkit](#)

[HMRC Capital Gains Tax for trusts and estates supplementary toolkit](#)

[HMRC directors' loan accounts toolkit](#)

[HMRC capital allowances for plant and machinery toolkit](#)

[HMRC private and personal expenditure toolkit](#)

[HMRC Income Tax losses toolkit](#)

[HMRC chargeable gains for companies toolkit](#).

For an email alert about any changes to the Tax agent's toolkits, please subscribe to; [Email alert subscription - Tax agent and adviser guidance](#).

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## Talking Points

During April and May 2018, we delivered 24 live Talking Points webinars with over 10,000 agents attending. The most popular subject were Making Tax Digital - “signing up to the Income Tax pilot” and “a general update for Agents preparing their clients” where we delivered a total of 8 meetings to 4,309 agents. Other popular subjects covered were Disguised Remuneration - Addressing common issues part 1, Corporation Tax Loss Relief and Company tax returns online - revisited.

Below are a few comments that you have made about the meetings:

*“The presentation was excellent and the chance to ask questions and receive instant answers is invaluable. Thanks to all concerned.”*

*“Presenters explained the subject matter very well and the slides were helpful too. Explanations were clear and legislative references / HS references very helpful.”*

*“This kind of feedback from HMRC is not available otherwise.”*

If you wanted to join one of our Talking Points meetings but the times did not suit your busy schedule, we record our digital meetings and share the link with anyone who registers for the live meeting. You can find a list of our recordings on our GOV.UK webpage [Help and support for tax agents and advisers](#).

During June and July we will be delivering Talking Points meetings on various topics including, Disguised Remuneration: Addressing common issues part 2, Income from Property - What’s New, An Introduction to the Enterprise Investment Scheme and Intellectual Property Office - The Value within. If you are interested in any of our webinars, please remember to reserve your place.

Did you know you can find out about the latest Talking Points meetings by [signing up to our email alerts](#) or by visiting the [Tax Agent blog](#).

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## Working Together (WT)

### Agent Forum (AF)

The AF was launched in July 2017 and continues to increase its reach.

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
- help each other with any possible solutions.

The success of the AF is evidenced by the following measures up to and including May 2018, we have:

- 560 registered agents
- 427 issues (Topics) raised - live and cleared
- 2,194 associated posted messages - live and cleared
- 38,470 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 on page 17. The PB will issue an invitation, which includes 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.

### Key issues resolved and messaged on the AF since the publication of AU64

Following feedback from users of the forum, we are pleased to announce a number of upgrades:

- we have introduced a Pink Zone to alert AF users about HMRC service system outages
- the Yellow Zone is an announcement section with topical messaging for agents
- the White Zone is for posting widespread issues, which HMRC moderates.

### AF Priority Issues for resolution

The Issues Overview Group (IOG) is made up of HMRC and Professional Bodies representatives. The IOG, agree which widespread issues concern agents. Where supported by the evidence coming through the AF, we will set up a 'bespoke' meeting. The meetings bring together interested parties, including subject matter experts from across HMRC.

Following bespoke P800 meetings initiated by the IOG, HMRC have been progressing actions to mitigate errors and reduce problems encountered by agents. These include improving information on GOV.UK in relation to bank and building society interest. Agents seeking the latest information and wishing to provide evidence to support resolution should access the P800 topic on the AF.

The IOG have identified the National Insurance contributions as the next priority area and are initiating a bespoke meeting on this subject. Updates will be provided on the Agent Forum.

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If you would like to know more about the issues or you would like to have your say, please contact your PB.

If you are not a member of a PB, please contact the [agentforum.wt@hmrc.gsi.gov.uk](mailto:agentforum.wt@hmrc.gsi.gov.uk)

## Agent Account Managers (AAMs)

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

This facility is an alternative to a formal complaint being raised.

To use this service you need to:

- complete the online [User Registration form](#)
- hold 64-8 authority to act on behalf of your client, [Authorising your agent](#)
- 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 May 2018 the most common issues were:

- SA Returns - Progress chasing repayment requests made via return/online/post
- SA Repayment - Progress chasing repayment requests made via return/online/post
- SA Correspondence - Progress chasing letters/forms not processed/SA302, Child Trust Registration R40, Deceased, Penalties, SA1, UTR
- PAYE Correspondence - Progress chasing letters/forms not processed i.e. Debt, Underpayment, Penalties, ESC A19.

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

## Agent Services Account

Agents who want to register will need to create an Agent Services Account if they:

- want to register a trust using the Trust Registration Service
- want to voluntarily participate in Making Tax Digital for Business (MTDfB)
- are amongst the small number of agents taking part in the whitelisted "Agents for Individuals" pilot service.

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 Government Gateway IDs to the Agent Services Account, so an agency can act on behalf of their client in Making Tax Digital (MTD) without needing to be re-authorized by that client
- subscribing a client to the MTD service - an agency can subscribe any existing SA client who has previously authorised the agency to act for them in SA e.g. 64-8 authorisation is in place
- requesting MTD authorisation from a new client (a digital 64-8) - an agency firm with an Agent Services Account can invite any customer who has already signed up to MTD to authorise them to act on their behalf in MTD SA
- completing a quarterly update for a client - an agent must have HMRC compatible commercial software to do this.

[A recording of the Talking Points meeting on the Agent Services Account is now available.](#)

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## Cyber Security

### Browser exploitation and *Malvertising*

HMRC regularly warns about the risks of malicious software ('malware') being delivered by email, and being cautious when opening attachments and clicking links. Email is a common method used by criminals, but other techniques are equally dangerous and require different defences. One such technique is exploiting security vulnerabilities in web browsers.

Web browsers and associated software (e.g. plug-ins like Flash) enable users to enjoy a wealth of digital content, in a range of different data formats. There is a lot of complexity behind the scenes in these programs, and security researchers and criminals work hard to find mistakes made by software developers that maintain them. These mistakes often relate to how the web browser processes data within a web page; by crafting the right content, an attacker can get the browser to mistakenly run the attacker's code. When these vulnerabilities are discovered or reported, the software developers hurry to release software 'patches' (updates) to plug the holes.

Not everyone applies these updates though, or they may even use older versions of web browsers that updates are no longer provided for. This presents an opportunity for criminals, who use 'exploit kits' - a collection of specially crafted code, on a website that will target a wide range of vulnerabilities. Their only challenge is to get potential victims to visit their site - once they do, criminals are able to gain entry and install or run their malicious software. This includes sending out emails with links to these websites, littering social media sites with links, or paying for online adverts, which direct victims to the malicious site. The latter technique is referred to as *malvertising* (derived from *malware* and *advertising*), and criminals use a range of techniques to sneak their adverts past the checks of online marketing companies to appear on popular websites. Many legitimate sites have unknowingly hosted malvertising, including household names.

Applying software updates is an important part of keeping your IT systems secure, and generally keeps you safe from this method of attack.

Applying security patches to ensure the secure configuration of systems forms part of the National Cyber Security Centre (NCSC) 10 Steps to Cyber Security.

[Further information on the 10 Steps and other useful guidance can be found on the NCSC website.](#)

## 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 [team.agentengagement@hmrc.gsi.gov.uk](mailto:team.agentengagement@hmrc.gsi.gov.uk).

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