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## Keeping you informed

### Introduction

Welcome to Agent Update 73. This month's edition features an update on Making Tax Digital, giving information on VAT certificates and Anti Money Laundering requirements.

The Service section carries information on, Corporation Tax repayments and post payments as well as details of the refresh of several Agent Toolkits.

The Working Together section includes news from the Issues Overview Group and recent issues raised on the HMRC Agent Forum.

As ever, the Tax section delivers updates from all areas of taxation.

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

We encourage you to continue sending your thoughts and views to the Agent Update mailbox. If you have any comments please email [mailbox.digitalsupport@hmrc.gsi.gov.uk](mailto:mailbox.digitalsupport@hmrc.gsi.gov.uk)

### Tax

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

### HMRC service

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

### Working Together

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

### This month's top articles

#### Temporary Increase in the Annual Investment Allowance

Detail on the temporary increase in the allowance until 1 January 2021.

#### National Insurance Contributions on Termination Awards and Sporting Testimonial Payments

Introduction of Class 1A NICs liabilities from 6 April 2020.

#### Corporate Interest Restrictions

The guidance on Corporate Interest Restrictions has been uploaded into the Corporate Finance Manual.

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## Class 1A National Insurance Contributions (NICs) payable on Termination Awards and Sporting Testimonial Payments

### Termination Awards

To bring closer alignment to the Income Tax and NICs treatment of termination awards, from 6 April 2020 the NICs (Termination Awards and Sporting Testimonials) Bill 2019 is introducing a Class 1A NICs liability on non-contractual “cash” (or cash equivalent) taxable termination payments over a £30,000 threshold, which have **not** already incurred a Class 1 NICs liability as earnings.

The employer will pay this Class 1A liability at the same annual Class 1A percentage rate that applies to existing Class 1A liabilities. The annual P11D(b) process for existing Class 1A liabilities will not apply to this new Class 1A liability arising termination payments. Instead, it must be paid/reported “in-year” through RTI. However, the P11D(b) process will apply to Class 1A liabilities arising on benefits-in-kind (BIKs) provided to an employee before and after their employment has been terminated.

### Sporting Testimonials

HMRC are also bringing closer alignment between the Income Tax and NICs treatment of sporting testimonial payments, through the same National Insurance Bill. From 6 April 2020 onwards, any non-contractual and non-customary sporting testimonial payment over £100,000, paid to a sportsperson by a testimonial committee, will incur a new Class 1A NICs liability, which will also be paid and reported through RTI. The annual P11D(b) process will apply to any BIKs provided to the sportsperson by the testimonial committee.

If a sporting testimonial committee pays any amount of a sportsperson’s tax liability arising on a sporting testimonial payment, then that amount paid will incur a Class 1A NICs liability and must be paid and reported through RTI.

If a sportsperson donates some or all of their testimonial payment to charity, then provided the sporting testimonial committee donate it through the Payroll Giving provisions, the tax & Class 1A NICs liabilities will be reduced accordingly. The committee must register a scheme with Payroll Giving to enable this to happen. Payroll Giving provisions can only reduce Class 1A liabilities, they do not reduce Class 1 NICs liabilities.

### What employers and sporting testimonial committees need to do to prepare for reporting the new Class 1A NICs liabilities through RTI

Before 6 April 2020, employers and sporting testimonial committees must ensure their payroll RTI systems have been updated so they can pay and report any Class 1A NICs liability arising on termination payments and sporting testimonial payments through RTI. HMRC are working with payroll software providers to update their products to meet these additional reporting requirements. Detailed guidance will be published ahead of 6 April 2020.

### Are your donations eligible for Gift Aid?

Reminding charities to register with HMRC so that they can claim Gift Aid on eligible donations may help them boost funds.

Gift Aid can be claimed on donations made by eligible taxpayers which will boost donations by an extra 25% if the donor makes a Gift Aid Declaration (GAD).

Charities should ask donors to fill in a declaration form when they make a donation if they are eligible. A donor must be a UK taxpayer and have paid at least as much in Income Tax or Capital Gains Tax as the charity wants to claim in Gift Aid.

If donors are no longer taxpayers, or are not currently paying Income Tax or Capital Gains Tax, a Gift Aid claim cannot be made for their donation.

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There are special rules for claiming Gift Aid on certain donations, such as church collections, charity auctions or selling goods on behalf of individuals, for example through a charity shop.

Gift Aid cannot be claimed on donations made in return for something, for example tickets or raffles; or donations made on behalf of someone else.

## Gift Aid Small Donations Scheme

With the Gift Aid Small Donations Scheme, charities can also claim 25% on donations of £30 or less without a GAD form.

For more information on Gift Aid and the Gift Aid Small Donations Scheme, visit the [Claiming Gift Aid as a charity or CASC webpage](#) on GOV.UK.

## Student Loans

### Starter Checklist

In [AU71](#) we advised the [new starter checklist](#) for 2019-20 can be used by all employers for all new employees. We encourage that your client asks their new employee to complete the starter checklist to allow collection of the correct loan or plan type.

The starter checklist includes:

- a new section for Postgraduate Loans (PGL)
- a section asking employees if they have both Plan 1 and Plan 2 student loans (If the employee ticks both, the employer should default to Plan 1 and check the SL1 start notice when HMRC sends this).

Employers should note that an employee can be repaying a Plan 1 or Plan 2 loan at the same time as a PGL.

## Student Loan Generic Notification Service (GNS) Messages

Employers may receive 2 different types of student loan GNS messages to their PAYE online inbox. These GNS messages will instruct employers to:

1. start taking student loan or PGL deductions from a named employee from the next available pay day and report this on the next Full Payment Submission (FPS) they send to HMRC. This is sent when HMRC receives an FPS showing zero student loan or PGL deductions for an employee we know is a borrower
2. correct the student loan plan type for a named employee on the next FPS they send to HMRC. This is sent to them when HMRC receives an FPS for an employee showing the incorrect plan type.

HMRC will send employers a second reminder if deductions are due but are not shown on the second FPS, and if deductions are due but not shown on the third FPS, HMRC may contact employers and ask for the deductions to begin.

More information on student loans for employers can be found on the [Student Loan and Postgraduate Loan repayments: guidance for employers webpage](#) on GOV.UK.

## Help your clients understand the High Income Child Benefit Charge

People who receive Child Benefit and earn over £50,000 may have to pay a tax charge known as the [High Income Child Benefit Charge](#). They could still be better off by claiming Child Benefit, the tax increases gradually by 1% for every £100 of income over £50,000, and at £60,000 the charge is equal to 100% of the Child Benefit entitlement.

Telling your clients about the High Income Child Benefit Charge may help them to understand their obligations and avoid facing a penalty.

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- Check their annual income, either on their P60 or [personal tax account](#)
- If their pay was just below £50,000, check what taxable benefits were provided by their employer as it counts as income and could take their income over the £50,000 threshold
- Use the [Child Benefit Tax calculator](#) to work out if they are affected by the tax charge
- Notify HMRC and register for [SA](#) by **5 October**
- Complete an SA tax return by **31 January** and pay what they owe.

Child Benefit remains a universal benefit and it is important for people to fill in the Child Benefit claim form. This ensures that they do not miss out on National Insurance credits, which help to protect their State Pension, and will help their child to automatically receive a National Insurance number before their 16th birthday.

People have the option to [opt out](#) of receiving Child Benefit payments so they will not have to pay the charge. If they do this, they will still accrue credits towards their pension.

### Self Assessment (SA) Returns

Remember when completing the student loan repayment section of your clients SA return and the Student Loans Company have said repayments were due to start on or before 6 April of the year in question, you need to;

- complete section 2 “Tell us about you” (online) or “Box 1” of a paper return by selecting
  - ‘Yes’, or adding an ‘X’ to the paper return then
  - the correct plan type

- check if your client has had student loan deductions taken through PAYE for the same year you are completing the return and if so complete section 4 “Fill in your return” (online) or “Box 2” of a paper return by entering the total student loan amounts that have been deducted through your client’s employments. (If your client had deductions in more than one job, make sure you add all deductions together). You will find this information on their P60 or payslips. Clients can also find the information on their Personal Tax Account.

More information on how to tell HMRC about a student loan on your clients SA return can be found on the [Tell HMRC about a Student Loan in your tax return webpage](#) on GOV.UK

### Temporary Increase in the Annual Investment Allowance (AIA)

From January 2019 businesses investing in qualifying plant and machinery are able to benefit from a temporary increase in the AIA.

The maximum amount of the AIA was temporarily increased to £500,000 at Budget 2014. Summer Budget 2015 set the rate of AIA permanently to £200,000 from 1 January 2016.

This measure temporarily increases the amount of the AIA to £1,000,000 from January 2019 until 1 January 2021 when it will return to £200,000.

The increase provides an incentive for those businesses already spending up to the £200,000 threshold to increase or bring forward their capital expenditure on plant and machinery.

More information on the [Temporary Increase in the Annual Investment Allowance](#) can be found on GOV.UK.

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## VAT Reverse Charge on construction and building services

The reverse charge on construction and building services measure comes into effect on 1 October this year. Further information on the scope of the reverse charge and how it will operate can be found in the updated [VAT: domestic reverse charge for building and construction services guidance note](#) on GOV.UK, published in June.

The key aspects are:

- it will apply to standard and reduced-rated supplies of building and construction services made to VAT registered business, who in turn also make onward supplies of those building and construction services
- the scope of supplies affected is closely aligned to the supplies required to be reported under the Construction Industry Scheme, but does not include supplies of staff or workers
- the legislation introduces the concept of “end users” and “intermediary suppliers”. This covers businesses or groups of associated businesses that do not make supplies of building and construction services to third parties and as such are excluded from the scope of the reverse charge if they receive such supplies. Examples include landlords, tenants and property developers.

More information on the Construction Industry Scheme can be found on the [Construction Industry Scheme: a guide for contractors and subcontractors \(CIS 340\) webpage](#) on GOV.UK.

## Construction Industry Scheme (CIS) Online Refresh

We wanted to let you know that we will be modernising our [CIS online](#) content during the week commencing 19 August. This means the screens will look different but we will not be changing any of the online processes. The CIS online service will be unaffected whilst we make the changes.

We are doing this to make it:

- accessible using all modern devices

- clearer and simpler to use by as many people as possible, including those with impaired vision/hearing.

## Disguised Remuneration

### Loan Charge

If any of your clients used a disguised remuneration tax avoidance scheme and are in the process of settling with HMRC, please make sure they take the required actions by the dates specified in our letter. If all actions are carried out in time, your clients will benefit from the [November 2017 settlement terms](#) and the loan charge requirements will not apply. For further information please also read [AU72](#).

If any of your clients do not reach settlement within the agreed timeframes, or have chosen not to settle, they will have to [report any outstanding loans and pay the loan charge](#).

Please read the updated [disguised remuneration issues briefing](#) on GOV.UK for more information.

### Loan Busting Schemes

We are aware of a number of schemes that claim they can help people avoid having to pay the loan charge. These are known as loan busting schemes. Your clients may approach you to ask whether these schemes work. HMRC has always stated that loan busting schemes do not work. Users of these schemes may end up paying more, as they will still be subject to the loan charge as well as paying the promoter's fees.

We have published a number of Spotlights that describe the features of some loan busting schemes, including advice on what to do if using one of these schemes.

Please read Spotlights [36](#), [39](#), [49](#), and [50](#) for more information.

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## Corporate Interest Restriction (CIR)

The guidance on CIR has now been uploaded into the Corporate Finance Manual, located at [CFM95000](#) on GOV.UK. The previous PDF document is now out of date and has been withdrawn.

The original mailbox for external queries was set up to deal with comments and queries when the legislation was being introduced. This mailbox has now been closed since the guidance is extensive and should answer most queries. Further information can be found on the [Restriction on Corporation Tax relief for interest deductions webpage](#) on GOV.UK.

However, should you have a specific query that is not answered by the guidance, please contact the Customer Compliance Manager (CCM). If your client does not have a CCM, please email the query to this mailbox: [msbcorporateinterest.restrictionmailbox@hmrc.gov.uk](mailto:msbcorporateinterest.restrictionmailbox@hmrc.gov.uk).

Non-statutory clearances should continue to be sent to the [HMRC Clearance Team](#).

Any reporting company appointments and Interest Restriction Returns (IRRs) should be submitted through the online form and not to the mailbox. Further guidance on making an appointment and submitting an IRR through the online form is available on the [Submit a Corporate Interest Restriction return webpage](#) on GOV.UK.

Elections should also not be submitted to the mailbox but sent to the CCM, or posted to the following address, mentioning 'Corporate Interest Restriction' on the letter:

Corporation Tax Services  
HM Revenue and Customs  
BX9 1AX.

## Self Assessment (SA) and Class 2 NICs

HMRC has received feedback from agents that they are encountering problems where Class 2 NICs is not included in the SA calculation when they are expecting it to.

The reason this happens is primarily where you have registered your client for SA but not fully registered them as self-employed. It is important that you get the registration process right for your client because SA registration form SA1 and/or your client's SA return do not create a self-employment record on HMRC's NICs systems. Unless a NICs record is created Class 2 NICs information will not be included in the SA calculation.

It is important that you complete the right form to register your client:

- Form SA1 will only register your client for SA tax and Class 4 NICs
- Form CWF1 will register your client for SA tax, Class 4 NICs and Class 2 NICs.

You must complete form CWF1 whenever your client is registering for self employment.

If your client is self-employed and you do not register them using form CWF1 this can result in:

- your client being unable to pay Class 2 NICs through SA and you may have to contact HMRC to arrange a separate bill
- an increased cost to pay as Class 2 NICs become subject to interest and penalties for late payment
- adverse impacts to entitlement to benefits and State Pension if your client's Class 2 NICs remain unpaid or are paid late

We have recently discussed this with the Issues Oversight Group and asked them to encourage their members to complete form CWF1 whenever a client becomes self-employed.

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## Reporting PAYE in real time

HMRC have published an article in the August 2019 Employer Bulletin confirming that following a review of the effectiveness of the risk-based approach to PAYE late filing and late payment penalties they have decided to continue this approach throughout the 2019-20 tax year.

The article also provides information on reporting payroll information accurately and on time, and the importance of Generic Notification (GNS) electronic warning messages.

## Welsh Rates of Income Tax (WRIT)

WRIT came into operation from 6 April 2019.

Tax codes for PAYE taxpayers living in Wales are now prefixed with the letter 'C'.

If you have clients with employees living in Wales they should have received a P9 to advise them of the change to the tax codes.

They may have also received a P6 notification at the end of June and this could be because the tax code they are operating is incorrect.

If your clients have not received an updated notification, they should log onto their Business Tax Account to check the 'C' code is operating for all employees living in Wales and ensure that they enter the correct tax code on their next FPS submission.

It is important that your clients' and their employees keep HMRC updated with their correct address. They can do this online on the [Tell HMRC about a change to your personal details webpage](#) on GOV.UK.

For further information on WRIT, visit the following webpages on GOV.UK:

- [Welsh rates of Income Tax](#)
- [Rates and thresholds for employers: 2019 to 2020](#)
- [GOV.WALES](#)

## Seasonal Workers

Over the next few weeks, many of your clients will take on temporary staff to fill summer jobs. Like other employees, these seasonal workers have to be assessed to see if they qualify for automatic enrolment into a workplace pension.

Assessing these types of staff can take more time because of varying hours and earnings. Employers who know their staff will be working for them for less than three months can use postponement. This postpones the legal duty to assess staff for three months. During this postponement period, employers will not need to put staff into a pension unless they ask to be put into one.

The Pensions Regulator has an [online tool](#) to help employers who have seasonal or temporary workers.

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## Corporation Tax - Repayments Made Easier

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

Clients need to provide 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 or an authorised nominee's name. If your client has already provided HMRC with bank details to set up a direct debit, they still need to provide them on the return.

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

## Corporation Tax Payments

Since April 2011, legislation requires Corporation Tax to be paid electronically.

There are various methods available:

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

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

Corporation Tax payments cannot be paid through the post.

For more information visit the [Pay your Corporation Tax bill webpage](#) on GOV.UK.

## Consultations

### Check the status of tax policy consultations

Find out about ongoing and closed tax policy consultations.

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

ODS, 15.4KB

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

## Agent Toolkits

The following toolkits have recently been updated for 2019:

- [Company Losses](#)
- [Capital v Revenue Expenditure](#)
- [Business Profits](#)
- [Inheritance Tax](#)

We have also revised the refreshed [Expenses and benefits from employment toolkit](#) to correct an error on page 4 regarding PAYE Settlement Agreements (PSAs) that previously advised, "a PSA cannot normally be applied retrospectively and a new agreement must be made each year". These agreements are now 'enduring' so do not need to be made each year.

Additionally, the calculation of list price on pages 16-17 of the Expenses and benefits from employment toolkit have been updated.

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The list price of a car means the inclusive price appropriate for a car of that kind if sold:

- (a) in the United Kingdom,
- (b) singly,
- (c) in a retail sale,
- (d) in the open market, and
- (e) on the day immediately before the date of the car's first registration.

As it is the list price on the day immediately before the date of the car's first registration, it will not include any VED/road fund licence. So, the words 'road fund licence' have been removed from the example at section 6 on page 17 of the toolkit.

## Contact

### Agent Blog

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

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

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

### [Complain to HMRC](#)

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

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

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

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

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

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

## Manuals

### [Recent Manual updates](#)

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

### [RDRM & Deemed domicile](#)

The domicile chapter within the RDRM has now been updated to include the changes applicable from the introduction of deemed domicile.

For more information, see the [Residence, Domicile and Remittance Basis Manual](#) on GOV.UK.

## 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.

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

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

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

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

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

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

## Publications

### Spotlights

HMRC published a new Spotlight on tax avoidance schemes.

#### [Spotlight 53. Disguised remuneration: tax avoidance using capital advances and mutual share ownership agreements](#)

This Spotlight relates to avoidance schemes using a combination of capital advances and offshore joint or mutual share ownership arrangements. They are designed to disguise an employee's earnings, which are partly paid in loans to avoid tax and NICs. Read more on why these schemes do not work.

### [Check for new additions](#)

#### [Employer Bulletin](#)

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

#### [HMRC: Trusts and Estate newsletters](#)

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

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

Countdown Bulletin 46 and 47 have been added to this collection.

#### [Pension schemes newsletter](#)

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

#### [Revenue and Customs briefs](#)

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

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## Off-payroll working rules from April 2020

The responsibility for applying the off-payroll working rules is changing from April 2020. This change makes medium and large organisations, and agencies, responsible for ensuring their contractors pay the right tax and National Insurance contributions (NICs). This has been the case for all public sector organisations since 2017.

The off-payroll working rules create fairness in the tax system. They mean that two individuals working in the same way pay broadly the same Income Tax and NICs, even if one of them works through a company. Earlier this year, we ran a consultation on the operation of the changes and published a summary of the responses on 11 July. We also published draft legislation and an explanatory note on 11 July. These publications are available on the [Off-payroll working rules from April 2020 webpage](#) on GOV.UK.

If you have comments on the draft legislation please send them to [offpayrollworking.inthepriatesectorconsultation@hmrc.gsi.gov.uk](mailto:offpayrollworking.inthepriatesectorconsultation@hmrc.gsi.gov.uk) by 5 September 2019.

We are working with organisations between now and April to provide support and education to help them understand the changes and the rules. This will include a series of educational events such as workshops and webinars. There will also be one-to-one support for the largest employers. Online guidance will be available this summer with more detailed technical guidance following before the end of the year.

We are enhancing the Check Employment Status for Tax (CEST) tool in response to stakeholders' concerns. Improvements will be made to language and presentation, and guidance will be added to ensure questions are clearly understood. Changes are being tested with tax specialists and users of the service to ensure they meet individuals' and businesses' needs.

Businesses can prepare for the changes by:

- looking at their current workforce (including those engaged through agencies and other intermediaries) to identify those individuals who are supplying their services through personal service companies

- determining if the off-payroll rules apply for any contracts that will extend beyond April 2020 (they can use HMRC's CEST service to do this)
- talking to their contractors about whether the off-payroll rules apply to their roles
- putting processes in place to determine if the off-payroll rules apply to future engagements. These might include who in their organisation should make a determination and how payments will be made to contractors within the off-payroll rules.

## Trust Registration Service (TRS)

### Micro Service Development

We have recently deployed the first feature for the Trust Registration Micro Service that allows users to register a will trust that contains:

- a lead trustee (can include multiple UK-based trustees)
- multiple named individual beneficiaries (will only require name, DOB, National Insurance number or address)
- classes of beneficiary
- assets (money, property and land).

Further features will be delivered between now and the end of the year.

We will continue to test the service with users as we release each feature. If you are interested in taking part in user research or if you have any questions about getting involved, please contact: [serviceteam17.digital\\_ddcn@digital.hmrc.gov.uk](mailto:serviceteam17.digital_ddcn@digital.hmrc.gov.uk)

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## Protecting your data - Authorising an agency to act on behalf of a trust for the Register

Later this year HMRC will be releasing more functionality to the TRS to allow amendments to be made.

Agents and their clients will need to complete a few additional steps to ensure only those with a legitimate reason can access and update details on TRS, usually the agent or nominated trustee. Information on these changes will be available on GOV.UK, but this is to let you know now what the process will be. Please note that this will not replace the existing 64-8 process for SA, so agents must ensure the appropriate authorisation is in place where needed.

The process flow below sets out the steps required for authorisation:



## Fifth Anti Money Laundering Directive Update

The government is developing its approach to the implementation of the EU's Fifth Anti Money Laundering Directive (5AMLD) and held a consultation, setting out the requirements and key issues. This closed on 10 June 2019 and HM Treasury and HMRC are now reviewing the responses.

5AMLD expands the scope of the existing TRS to a much wider population of express trusts. Detailed guidance will be published later.

## Government consultation launched - Good Work Plan: Proposals to support families

The Prime Minister has launched a new consultation on high-level options and principles to enable parents to balance the gender division of parental leave. The consultation asks whether Statutory Paternity Leave for fathers and same sex partners should be changed and for suggestions on ways in which the Shared Parental Leave Policy, introduced in 2015, could be improved.

The consultation also sets out a proposal for a new Neonatal Leave and Pay entitlement, for parents of premature and sick babies who need to spend a prolonged period in neonatal care following birth. Parents would receive one week of Neonatal Leave and Pay for every week that their baby is in hospital, subject to certain conditions which form part of the consultation. This would be available to mothers, fathers and partners.

The government are also consulting on whether employers should publish their family-related leave and pay and flexible working policies and whether there should be a requirement for employers to consider advertising jobs as flexible.

For more information, read the full consultation on the [Good Work Plan: Proposals to support families webpage](#) GOV.UK.

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## Parental Bereavement Leave and Pay

The government are working to bring forward the secondary legislation necessary to implement Parental Bereavement Leave and Pay. The government intends to introduce the new right from April 2020.

The Parental Bereavement (Leave and Pay) Act 2018 applies only to Great Britain. At the current time, no legislation to introduce parental bereavement leave or pay has been introduced in Northern Ireland, therefore, the measure will not apply in Northern Ireland.

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## Making Tax Digital Update

The Making Tax Digital rules became law for VAT periods starting on or after 1 April 2019 and require VAT-registered businesses with taxable turnover over £85,000 to keep their VAT records digitally and to submit their VAT return direct from their Making Tax Digital-compatible software.

- Around 10,000 businesses were registering for Making Tax Digital every day during July
- More than 770,000 businesses have signed up in total (as at drafting on 23 July) with some 480,000 submissions already successfully made using software
- Businesses in the agriculture sector (such as farmers) have been one of the fastest groups to sign up to Making Tax Digital with 50% already registered; and
- The financial sector has been one of the slowest to sign up with nearly 75% yet to sign up.

Sign up rates are very positive and the Stagger 1 Quarterly returns due by 7 August 2019 will be a key indicator.

During this first year, filing or record-keeping penalties will not be issued to businesses doing their best to comply.

HMRC expects Making Tax Digital to reduce tax lost due to errors, thanks to the improved accuracy that digital records provide and the fact that information is sent directly from software to HMRC. The latest tax gap figures showed avoidable mistakes cost taxpayers more than £9.9 billion last year, £3 billion attributable to VAT alone.

## VAT Certificate

The vast majority of customers that have signed up (or have been signed up by an agent) to Making Tax Digital are now able to view their VAT Certificate in their Business Tax Account (HMRC online services).

The functionality for agents to access this information will be delivered in August, in the meantime they should call the VAT helpline to request VAT Certificate information.

The functionality for a small number of customers with non-standard accounting periods will be delivered later in the year with a confirmed date to follow.

## Agent Services Account (ASA)

### Authorising new clients

Agents are now able to track the status of any requests that they have made to authorise new clients in the last 30 days in the agent services account.

### Anti Money Laundering requirements

It has been a requirement since 2009 for accounting service providers to register for Anti Money Laundering Supervision (AMLS).

Agents are asked to enter their AMLS details when they create an ASA, which allows them to act for their clients under Making Tax Digital.

**To ensure that all agents are able to create an ASA and to sign their clients up to meet their Making Tax Digital obligation in good time, we have amended the journey to allow the creation of an ASA on the basis of a pending AMLS application.**

However if your application is refused your agent services access will be withdrawn.

Agents should only sign businesses up using their agent credentials, not those of the businesses. Please note that only those acting as paid agents should create an ASA to file on behalf of clients.

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## VAT Helpline - voice recognition

The interactive voice recognition on the VAT helpline has been updated to recognise the phrases Making Tax Digital and MTD.

## Communications

We are adding to our communications by sending out reminder emails for Stagger 1 customers, encouraging them to sign up.

Additionally, although we are taking a light touch approach to penalties in the first year, we will start to contact businesses that we believe should have signed up but have not. The first tranche of these letters were issued to monthly filers in July.

HMRC will send an email to customers who have signed up for Making Tax Digital for VAT using Sign up for Making Tax Digital page. HMRC will confirm you can submit VAT returns within 72 hours using the email you provided. This email will be sent from: [noreply@tax.service.gov.uk](mailto:noreply@tax.service.gov.uk) and will not ask you for any financial information.

You may wish to ensure that emails from this address are not in Spam folders and perhaps, added to safe sender lists.

section ends





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## Working Together - Issues Overview Group (IOG)

The Working Together IOG is a joint forum of HMRC and professional bodies (PBs) which progresses key operational issues or problems raised on the online Agent Forum; or otherwise identified by HMRC and PBs representing tax agents and advisers. Information including the Terms of Reference for the IOG can be found on the [IOG webpage](#) on GOV.UK. Agent Update highlights items being progressed by the IOG. The latest updates on progressing priority issues identified are published on the Working Together online Agent Forum.

Recent issues raised and concluded on the Agent Forum include:

1. [SA243 - 2018/19 Missing Payments on Account](#)  
This currently only affects returns from tax year 2017-18.  
We are aware of an issue with payment reminders for a small number of customers. Anyone who is affected can contact us and we will put it right. Nobody will be charged additional interest due to this problem, as long as they pay the full amount due by the 31 January 2020. Please resolve any issues with the HMRC in the normal manner.
2. [MTDVAT68 - HMRC response updated - Business cannot view/download VAT reg cert after registering for Making Tax Digital](#)
3. [MTDVAT77 - HMRC Response Provided - Making Tax Digital - Scanned Receipts](#)
4. [SA236 - HMRC response provided - Information to help you complete your tax return!](#)
5. [MTDVAT78 - HMRC response provided - How do I deregister a client from VAT?](#)

Please note you have to be logged in to the Agent Forum to access the links replicated above.

If you wish to join the Agent Forum please apply using [this link](#).

## Working Together Contact information for Professional and Representative Bodies

[AAT Aleem Islan](#)

[ACCA Jason Piper](#)

[AIA](#)

[ATT Jon Stride](#)

[CIMA](#)

[CIOT Jon Stride](#)

[CIPP Samantha Mann](#)

[IAB](#)

[ICAEW Caroline Miskin](#)

[ICAS Tax Team](#)

[ICB Jacquie Mount](#)

[ICPA Tony Margaritelli](#)

[IFA Anne Davis](#)

[VATPG Ruth Corkin](#)

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

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