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Keeping you informed

Introduction

Welcome to the 48th edition of Agent Update. In this issue we include a summary of the tax changes from 1 April 2015, information relating to Private Residence Relief for individuals on disposals from 6 April 2014 and an update on changes to HMRC's online Self Assessment documents to support loan and mortgage applications. We also feature guidance on the annual Tax Credits renewal campaign. Other items include a reminder of the Solicitors' Tax Campaign, Class 2 NICs liability for landlords and the latest news from the Pensions Regulator on a new online automatic enrolment guide for business advisers. Also featured are the latest updates from the Working Together partnership and links to the latest publications for employers, pensions, VAT, trusts and estates.

We recognise that not all topics will be relevant to you, but by scanning the brief introductions to each piece you should be able to quickly identify the topics that are relevant to you within a couple of minutes. You can then follow the link to view the full information.

Don't forget to register with us. You can sign up for email reminders as each edition is published. To do so please use the link below.

[Sign up to receive email reminders of future issues of Agent Update](#)

If you have any queries about this publication please contact: [Andria Barber, Editor](#)

Tax

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

HMRC service

Changes to HMRC services, upcoming HMRC events and guidance.

Consultations

Details of live consultations and response summaries.

Working Together

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

This month's top articles

[Tax Agents Blog - Welcome back](#)

Read an update from Toni Clark, Head of Digital Agent Engagement, now that the blog is back online.

[Appealing online against a Construction Industry Scheme \(CIS\) late-filing penalty using the Penalty and Appeals Service](#)

Contractors and their authorised representatives will be able to use HMRC's Online Penalty Appeal Service to make an electronic appeal against CIS late-filing penalties from the end of June 2015.

[HMRC toolkits - helping agents](#)

15 out of the 20 toolkits have now had their annual review and refresh and the remaining 5 toolkits will be updated over the next few months. The toolkits cover the 400 most common errors that HMRC see in returns filed by tax agents and advisers. The toolkits set out the steps you can take to avoid these errors and contain quick hyperlinks to supporting guidance and legislation.

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Alcohol duty

Tackling alcohol duty fraud

All businesses wholesaling alcoholic drinks must register for the Alcohol Wholesaler Registration Scheme between 1 October and 31 December 2015, or be at risk of trading illegally. HMRC will assess all applications received. Those who cannot demonstrate their business is sufficiently protected from the illicit alcohol trade, or where there's evidence of fraud, may have their right to trade in alcohol removed. From 1 April 2017 all businesses who trade in or retail alcohol must make sure that any UK wholesalers they buy from are registered with HMRC. An online look up service will be provided so that trade buyers can ensure wholesalers they buy from are registered with HMRC.

[Sign up for email alerts about alcohol duties](#)

Capital Gains Tax

Private Residence Relief for individuals on disposals from 6 April 2014

Agents are reminded that from the tax year 2014-15, if your clients have made disposals of residential property on which they wish to claim Private Residence Relief, they need to be aware of the changes to the period classed as a period of ownership. This has been reduced, depending on circumstances, from 36 to 18 months, with effect from 6 April 2014.

Compliance

Tax changes that come into effect 1 April 2015

A summary of the tax changes from 1 April 2015.

Foreign Account Tax Compliance Act: registration guidance

Foreign Account Tax Compliance Act legislation has recently changed and there is no longer a requirement to submit nil returns.

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.

Disclosure of Tax Avoidance Schemes (DOTAS) legislation as amended by Finance Act 2015

There are new requirements under the DOTAS legislation. These apply to employers who sign up to an avoidance scheme which benefits either their employees or themselves by virtue of their employees' employment.

Clothing giant Next loses tax avoidance case

High street retailer Next has been hit with a £22.4m tax bill after a court ruled the firm's complex tax scheme was artificial tax avoidance.

Three company officials jailed for contempt in multi-million pound VAT fraud

Two Directors and a Company Secretary have been jailed for contempt of court relating to a £7.7m VAT fraud, following an investigation by HMRC.

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[Tax avoidance: withdrawn Scheme Reference Numbers](#)

The list has been updated to include Scheme Reference Numbers withdrawn from 13 April 2015.

[Construction Industry Scheme](#)

[Appealing online against a Construction Industry Scheme \(CIS\) late-filing penalty using the Penalty and Appeals Service](#)

Contractors and their authorised representatives will be able to use HMRC's Online Penalty Appeal Service to make an electronic appeal against CIS late-filing penalties from the end of June 2015.

[Landfill Tax](#)

[Landfill Tax: rates, exemptions and taxable activities](#)

Rates for Landfill Tax have been updated for 2015 to 2016.

[National Insurance](#)

[Guidance on Class 2 NICs liability for landlords](#)

HMRC has published guidance in the National Insurance Manual to clarify when a landlord will be liable for Class 2 National Insurance Contributions.

[PAYE](#)

[2014-15 PAYE Tax calculations - over and under payments](#)

We have started the annual End of Year Reconciliation process - a normal part of the PAYE system - to check that people have paid the right amount of tax in 2014-15. This has been a key feature of the PAYE system since it was first introduced over 70 years ago.

[Shared Parental Leave and Pay are here - Are your clients ready?](#)

Shared Parental Leave and Pay is now in force for the parents of babies due and adopters of children placed for adoption on or after 5 April 2015. Mums will now be able to end their maternity leave early and share whatever is left (including the statutory pay) as shared parental leave and pay with their partner.

[PAYE: end-of-year expenses and benefits \(online form\) updated](#)

The P11D iForm can be used by employers with less than 150 employees, this is an online interactive form and can be used as follows:

- complete P11D, P9D and associated P11D(b) for their employees whether the scheme is fully payrolled, part payrolled or not payrolled at all
- complete P9D only for their employees
- complete P11D(b) only
- make amendments to an Expenses and Benefits form that has already been submitted

As this iForm is still in its infancy we would like to raise awareness of this product with our employer/agent communities to improve the transition to Digital.

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Pension schemes

[New online automatic enrolment guide for business advisers](#)

The Pensions Regulator has recently launched a new online guide to automatic enrolment for business advisers. It's been created in response to adviser feedback requesting a simplified process to help small business clients meet their automatic enrolment duties.

The regulator has divided the online guide into steps that correspond with the employer web guide - each step tells you when to complete each task and features links to practical tools and resources. You can work through one task at a time or pick and choose tasks according to your client's requirements.

[Visit the new guide](#)

[Sign up for 'news-by-email' for regular updates on automatic enrolment](#)

[List of Recognised Overseas Pension Schemes notifications](#)

Latest update to the Recognised Overseas Pension Schemes (QROPS) list.

Revenue & Customs Briefs

[Revenue & Customs Briefs](#)

There were no new Revenue & Customs Briefs when this edition was being published but please check for any that may have subsequently been issued.

Scottish Rate of income tax

[Scottish Rate of Income Tax](#)

The Scottish rate of income tax will be introduced from April 2016. An individual's tax status will be determined by where they live not work. HMRC will use the customer's address it holds to identify the Scottish taxpaying population. The change impacts individual taxpayers who engage with PAYE, Self Assessment and relief at source for pension contributions.

Self Assessment

[Self Assessment Penalties](#)

HMRC has published an update on GOV.UK regarding Self Assessment penalties.

Stamp Taxes and Annual Tax on Enveloped Dwellings

[Annual Tax on Enveloped Dwellings \(ATED\)](#)

Following legislative changes to ATED that were introduced in Finance Act 2015, the ATED Returns Notice has been updated.

[Annual Tax on Enveloped Dwellings \(ATED\): Returns](#)

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Tax credits

Renewing Tax Credits with HMRC

The annual Tax Credits renewal campaign is underway. This year anyone who receives Tax Credits can renew their claim online at any time, day or night and from any device. HMRC's helplines will be exceptionally busy until the end of July as people phone to renew their Tax Credits in the run up to the deadline, so HMRC is urging customers to renew their claim online, at a time that suits them. Agents dealing with these customers are asked to confirm income details or remind their clients to do so as soon as possible before 31 July.

[Renew your tax credits online](#)

VAT

VAT Mini One Stop Shop

Micro-businesses that are below the current UK VAT registration threshold and who have registered for the VAT Mini One Stop Shop, may continue to base their 'customer location' VAT taxation and accounting decisions on information provided by the payment provider. These transitional arrangements, which were originally until 30 June 2015, have been extended indefinitely.

VAT Notes 2015 Issue 2

HMRC publish VAT Notes quarterly. This issue contains a summary of all the recent changes to VAT for businesses and announces future changes.

Increase in the VAT registration and de-registration thresholds in line with inflation

From 1 April 2015, the UK VAT registration threshold increased from £81,000 to £82,000 and the VAT de-registration threshold also increased, from £79,000 to £80,000. The VAT registration threshold for Acquisitions from other Member States increased from £8,000 to £82,000.

VAT Notice 700/63: electronic invoicing

This notice cancels and replaces Notice 700/63 April 2014 edition and explains issuing, receiving and storing VAT invoices in an electronic format.

VAT Notice 735: VAT domestic reverse charge on specified goods and services

HMRC has updated this notice and it now covers the reverse charge on gas and electricity.

VAT Notice 1001: VAT refund scheme for certain charities

This notice applies to certain types of charities, which are eligible for refunds under a VAT refund scheme.

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Charities

[Charities forms](#)

HMRC Charity application form (ChA1) removed from list. You can now get recognition from HMRC for your charity using the online registration service.

Compliance

[Dispute Resolution Unit becomes Resolution Strategy and Policy](#)

The Central Dispute Resolution Unit has changed its name to Resolution Strategy and Policy (RS&P). Applications for Alternative Dispute Resolution (ADR) should be made through the usual channels but RS&P remain the main contact point for questions about ADR and the Litigation and Settlement Strategy policy and guidance. Contact details remain unchanged.

[Automatic Exchange of Information: holding companies and treasury companies](#)

HMRC's views on the treatment of holding and treasury companies relating to the automatic exchange of information (AEOI) on financial accounts.

Contact

[Tax Agents Blog - welcome back](#)

Read an update from Toni Clark, Head of Digital Agent Engagement, now that the blog is back online.

[HMRC working with Tax Agents Blog](#)

The blog supports HMRC's strategy for engaging with agents. It provides another channel to communicate about joint HMRC and agent consultative meetings, improvements to HMRC services, how working together, 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, consultation, speeches and publicity campaigns. Follow us on [Twitter@HMRCgovuk](#).

HMRC campaigns

[Solicitors Tax Campaign](#)

HMRC launched this campaign on 8 December 2014. It was aimed at those working as solicitors who have income or gains they haven't disclosed to HMRC. The deadline to make a full disclosure to HMRC was 9 June 2015. Customers who have missed the deadline and need to make a disclosure for this campaign should call the Voluntary Disclosure Helpline on 0300 123 1077 as soon as possible. The penalty customers pay will be lower than if HMRC comes to them first.

[Download a video which explains campaigns](#)

HMRC service

[Client authorisation: an overview](#)

A reminder of what client authorisation is, agent codes and reference numbers, how to apply, make changes and cancel authorisations.

Manuals

[Recent Manual updates](#)

You can check the latest updates to HMRC manuals or subscribe to be notified when changes are made.

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Online

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

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

[Future online services downtime](#)

Information is available on any downtime that may affect the availability of HMRC's online services. Please note that the information 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 and provides regular updates on the type of scams it is aware of. If you have any concerns regarding the authenticity of any emails received from HMRC, go to the online security pages for more information.

PAYE

[Fit for Work](#)

The Fit for Work advice service is now live and General Practitioners (GPs) in Sheffield and North Wales have begun referring eligible patients to a Fit for Work occupational health assessment. Employers may start to receive Return to Work Plans offering advice to assist employees, helping them back to work. Agents/employers will be able to register from autumn 2015, once GP roll-out has been completed. Fit for Work complements (not replaces) existing occupational health provision and tax exemptions are introduced of up to £500 on medical treatments recommended by Fit for Work for an employer's occupational health service.

Publications

[Employer Bulletin - June 2015](#)

Issue 54 of the Employer Bulletin is now available. This edition contains information about the changes that are being introduced to the expenses and benefits processes as well as topical and useful information about other PAYE processes and procedures. For employers to be informed when it is available on the website they must register to receive the email alert.

[Register to receive email alerts](#)

[Trusts & Estates Newsletter](#)

The June 2015 edition is now available online. The newsletter provides the latest topical and legislative information on Inheritance Tax and Trusts for trusts and estates practitioners.

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Queen's award for Enterprise

[Do you know any businesses that deserve Royal recognition?](#)

Then tell them about The Queen's Awards for Enterprise - the most prestigious UK business award which recognises and rewards outstanding UK businesses. Entries for The Queens Awards for Enterprise 2016 are now open. Previous winners have stated winning the award has given them global recognition, added commercial value, an edge over the competition and they can display the award emblem in promotional materials for five years. Winners are invited by Royal appointment to a Buckingham Palace reception hosted by Her Majesty the Queen.

If you require any promotional literature please contact: info@queensawards.org.uk

Stamp Duty Land Tax

[Stamp Duty Land Tax \(SDLT\) calculators updated](#)

Use these calculators to work out how much Stamp Duty Land Tax (SDLT) you need to pay.

Student loans

[Student Loans: information for agents \(CSLA1\)](#)

Information for agents and the accountancy profession on the main points affecting Student Loan borrower clients who are in Self Assessment.

[Employer reminder to operate Student Loan \(SL1\) Start Notices](#)

Recent customer demand call analysis has highlighted the non-operation of SL1 notices as one of the top 10 reasons that cause customer contact. Guidance is available in the Employer Helpbook E17 - An employer's guide to the collection of Student Loans.

Toolkits

[HMRC toolkits - helping agents](#)

15 out of the 20 toolkits have now had their annual review and refresh and the remaining 5 toolkits will be updated over the next few months. The toolkits cover the 400 most common errors that HMRC see in returns filed by tax agents and advisers. The toolkits set out the steps you can take to avoid these errors and contain quick hyperlinks to supporting guidance and legislation.

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Current consultations

Current consultations

There were no new open consultations when this edition was being published, but please check for any that may have subsequently been issued.

Summary of responses

Summary of responses

There were no new consultation outcomes when this edition was being published, but please check for any that may have subsequently been issued.

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Working Together

Working Together Team (WTT)

Working Together (WT) is a partnership between HMRC and the six main agent representative bodies which looks for ways to improve HMRC operations for the benefit of tax agents, their clients and HMRC. Members from a range of other representative bodies including, AIA, IAB, ICB, ICPA, IFA, CIMA, CIPFA, CIPP, CPAA, SPA, STEP, also all actively participate and contribute to Working Together. The WTT maintains an issues register that provides details of all issues (some of which are working within the Joint Initiative Steering Group). The issues register can be viewed by the professional bodies (PBs) on the Issues Overview Group (IOG) and local WT coordinators who use the register to keep their WT groups up to date with the latest information, news and updates.

Digital Agent Engagement - Regional Agent Events

We will publish an update in the August edition of Agent Update. Please read the article published in Agent Update 47 for the latest reported information on the Regional Agent Events.

[See Agent Update 47](#)

WT open Issues Register

The following Priority 1 issues are being discussed with the Issues Overview Group.

WT ref	Business area	Issue
WT050	PAYE Individuals	Processing of 11D Expenses and associated S336 claims
WT054	Other	HMRC correspondence
WT218	Customer Contact	Intelligent Telephony Automation system (ITA)
WT226	PAYE Individuals	PAYE coding (P2) not showing wk1/mth1 indicator
WT234	Self Assessment	WT234 Self Assessment SA reminder letters were issued to unrepresented customers only

WT050: The current measure being looked at in connection with the benefits and expenses will address the current issue of the processing of P11D/S336 claims.

[Employee Benefits and Expenses - exemption for paid or reimbursed expenses](#)

Please also refer to the article in Agent Update 47, page 13, in relation to the submission of 2014/15 P11D and S336 claims.

[View Agent Update 47 article](#)

WT054: WT has undertaken an in depth review of this issue in respect of delays in issuing correspondence and will analyse the current position and work with the professional body representatives of the Issues Overview Group (IOG) to identify the specific areas where action is needed.

WT218: ITA: Work is continuing on a generic 'Hints & Tips' guide which we hope to be able to share with agents soon.

WT226: PAYE coding (P2) not showing wk1/mth1 indicator. Agents do not receive a copy of the client's P2 and rely on the information provided by the client and this can lead to confusion and discrepancies in the client's liability when it is not known when an emergency or cumulative coding has been applied. HMRC acknowledges that although this issue affects a small percentage of the whole customer base, it still creates a large amount of contact. WT is working with the business and IOG on ways to progress this issue.

WT234: SA Reminder letters were issued to unrepresented customers only. We reported in Agent Update 47 page 13 that further communications were being planned.

[View Agent Update 47 article](#)

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WT Closed Issues

WT do all they can to ensure that an issue has been fully addressed before closing it and part of the role of the Issues Overview Group is to ensure that issues are not closed prematurely. However we recognise that sometimes we may close an issue and agents may still experience problems. When that is the case WT are always prepared to re-open a closed issue provided agents can supply the evidence that the issue is continuing to cause problems.

There have been two issues closed since those published in Agent Update 45.

WT227: CT Payment Helpline number: Agents reported delays in calls being answered by the CT Payment Helpline. HMRC has investigated this and there are currently no known problems.

WT233: Online PAYE coding notices: Agents reported that Online PAYE coding notices for SA clients could not be viewed as normal. HMRC reviewed the example provided and provided a response. There was nothing to indicate this is a widespread issue.

Other News and updates

Self Assessment Reminders

Following on from a pilot in December 2014 HMRC do not propose to issue paper reminders to Self Assessment customers in December 2015 to remind them of the approaching Self Assessment filing and payment dates. HMRC do intend to continue to provide electronic reminders for those customers that interact with us digitally. Using customer insight from the pilot HMRC are looking at how they can help Self Assessment customers in new ways to successfully file and pay by 31 January 2016.

HMRC regularly reviews all their large volume outputs using customer insight and the latest data available. Should HMRC consider significant changes to other outputs, the proposals will be discussed with agents.

HMRC will continue to issue statements to customers in June/July this year.

Update on changes to HMRC's online Self Assessment documents to support loan and mortgage applications (Priority Issue 2, WT235)

As we move into a more digital world, we have been working with the Council of Mortgage Lenders to improve our online documents. In particular, we have improved the Tax Calculation (SA302) and Tax Year Overview so that lenders can consider accepting them as evidence of income returned to HMRC for loan or mortgage purposes. Adding the Tax Year Overview as evidence addresses the Financial Conduct Authority's concerns about the robustness of the Tax Calculation.

The new process is still embedding. Some lenders will accept copies of the online documents while others will ask for original paper copies. For now, it's probably best to check with the lender what they accept to avoid any unnecessary delay or confusion.

The new process

If the lender asks for copies of online documents, you (your client) will be able to print them from the online account without having to contact us.

To access and print the Tax Calculation (SA302) and Tax Year Overview, you (your client) need to be registered for HMRC Online services. If you send tax returns using:

- HMRC software, you can print both documents from HMRC Online Services
- Commercial software, you can print the Tax Year Overview from HMRC Online Services, but you need to use your own software to print the Tax Calculation.

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Before you can access your client's information, you need to be an authorised agent.

If you're not, go to:

www.gov.uk/applying-for-client-authorisation-using-hmrc-online-services

Once you're authorised, you can use HMRC Online Services to:

- manage your client lists
- send tax returns
- exchange information with HMRC online

If you can't access and print online documents or the lender asks for paper copies, contact HMRC Self Assessment Helpline and we will send them to you.

Printing your client's Tax Calculation (SA302)

You can currently view and print up to 3 years Tax Calculations, but this will increase to 4 years from April 2016.

1. Log in to your agent online account.
2. Choose the relevant client from the authorised client list.
3. Follow the link 'tax return options'.
4. Choose the year from the drop down menu and click the 'Go' button.
5. Select the 'view return' button.
6. Follow the link 'view calculation' from the left hand navigation menu.
7. Follow the link 'view and print your calculation' at the bottom of the page.
8. Follow the link 'print your full calculation'.

Printing your client's Tax Year Overview

1. Log in to your agent online account.
2. Choose the relevant client from the authorised client list.
3. Follow the link 'view account'.

4. Follow the link 'tax year' from the left hand navigation menu.

5. Choose the year from the drop down menu and click the 'Go' button.

6. Follow the link 'print your Tax Year Overview'.

You must wait 72 hours after fully sending a tax return until you can print your documents.

Changes to Class 2 National Insurance

HMRC would like to remind agents that their clients will still need to register as self-employed for National Insurance contributions by using form CWF1, 'Register if you're a self-employed sole trader', if they already have a Unique Taxpayer Reference (UTR), for example from a previous period of self-employment. If they are registering now as self-employed for the first time, they will be registered both for Self Assessment and National Insurance contributions at the outset

[View CWF1](#)

Maternity Allowance - your client's Maternity Allowance claim to DWP will be assessed. If insufficient Class 2 National Insurance Contributions (NICs) have been paid for standard rate Maternity Allowance to be awarded, DWP will contact HMRC who will issue a bill to the client to enable them to pay the required NICs early if they wish. All payments must be made direct to HMRC. Once HMRC notifies DWP that sufficient NICs have been paid, DWP will reassess the Maternity Allowance claim.

HMRC are receiving payments by Standing Order, however, this is not a method of payment HMRC endorses. We accept telephone and online banking, cheques and payments made at your client's bank, building society or post office. If your client has a Standing Order arrangement they must stop using this method to pay their Class 2 National Insurance Contributions and use an alternative way to pay. More information can be found at: <https://www.gov.uk/pay-class-2-national-insurance>

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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've made. There is also a dedicated service for tax agents.

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

Contact information for the other professional bodies

[AAT Jeremy Nottingham](#)

[ACCA Chas Roy-Chowdhury](#)

[ATT Jon Stride](#)

[CIOT Nigel Clarke](#)

[ICAEW Philippa Stedman](#)

[ICAS Charlotte Barbour](#)

Thank you from the Working Together Team Leader

Since the last edition of Agent Update we have said goodbye to some of our WT members who have moved on for various reasons and we thank them for their past support and contributions. During the same time we have also gained some new members and would like to welcome them to the WT community.

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