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Keeping you informed

Introduction

Welcome to the 33rd issue of Agent Update. In this edition we've pulled together useful information and tips to help you and your clients manage the 31 January Self Assessment deadline and avoid any late filing penalties. We feature the latest news on Real Time Information (RTI), draft legislation of interest to agents and details of HMRC Contact Centre performance and management information. We also include the latest updates from the Working Together partnership, and links to the latest publications for employers, pensions, VAT, trusts and estates.

Following your feedback, we'll publish the next Agent Update in February avoiding the Self Assessment peak.

As ever, we recognise that not all topics will be relevant to you. By scanning the brief introductions to each piece, you should be able to identify the topics that are relevant 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](#)
Best wishes for the holiday season.

Tax

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

HMRC service

Changes to HMRC service, 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

[Self Assessment deadline - information for agents](#)

HMRC has brought together guidance for tax agents and advisers to help you manage the 31 January 2013 Self Assessment deadline.

[Tax Agent Strategy](#)

Find out how the strategy aims to transform the relationship between HMRC and agents and read an update on the work - including the development of new online services for agents.

[RTI pilot expands further](#)

HMRC has announced an extension of its RTI pilot and is on target for around six million employments to be reported in real time by March 2013.

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Autumn Statement

[Autumn Statement 2012](#)

Read the full details of the Autumn Statement 2012, which was made by the Chancellor of the Exchequer on 5 December 2012.

Compliance

[Working with tax agents: dishonest conduct](#)

Read about the new legislation that comes into effect on 1 April 2013 - helping HMRC address the behaviour of the small minority of tax agents who are dishonest.

[Disclosures of tax avoidance schemes](#)

The six monthly disclosure statistics to 30 September 2012 have now been published.

[Tax adviser authorisation for compliance checks](#)

In response to requests from agents, HMRC has published a new version of the temporary authorisation form for compliance checks so that agents can print a blank copy of the form.

Draft legislation

[Finance Bill 2013 - draft clauses](#)

HMRC has published responses to the consultations announced in Budget 2012, draft legislation for the Finance Bill 2013, together with Tax Information and Impact Notes and other supporting documents.

[Draft legislation for the Inheritance Tax \(Market Makers and Discount Houses\) Regulations 2012](#)

This draft legislation extends business property relief from Inheritance Tax to businesses carrying on the business of a market maker.

[Basel III: the tax treatment of regulatory capital instruments](#)

HMRC has published draft legislation to clarify the tax treatment under S1015(4) Corporation Tax Act 2010 of regulatory tier 2 capital.

[Controlled Foreign Companies \(CFC\) and permanent establishments - draft guidance](#)

HMRC has published further draft guidance on the new CFC rules on captive insurance business and exempt period exemption as well as a short introduction to the new CFC rules.

[Unrelieved surplus advance Corporation Tax](#)

Draft legislation on the Corporation Tax treatment of unrelieved surplus advance Corporation Tax has been published for consultation.

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Excise Duty

Machine Games Duty (MGD)

From 1 November businesses and agents have been able to register for MGD and HMRC has published guidance about using the online registration service to enrol for MGD Online Services.

[MGD for Agents](#)

[MGD Online Guide](#)

Legislation

[Changes to Money Laundering Regulations](#)

Changes to the Money Laundering Regulations 2007 have been laid before Parliament and came into force on 1 October 2012.

PAYE

[Real Time Information \(RTI\) pilot expands further](#)

HMRC has announced an extension of its RTI pilot and is on target for around six million employments to be reported in real time by March 2013.

[Information about filing PAYE information in real time](#)

HMRC has published proposals explaining when employers will be allowed extra time to send real time information to HMRC.

Pension schemes

[A change in the tax code used on 'trivial commutation' and similar lump sum pension payments](#)

From 6 April 2013, HMRC proposes that the tax code operated on 'trivial commutation' and similar one-off lump sum pension payments will change.

[Draft regulations relating to lump sum pension payments](#)

The draft amending regulations relating to lump sum pension payments and the tax code operated can be found in The Income Tax (PAYE) (Amendment) Regulations 2013.

Revenue & Customs Briefs

[Revenue & Customs Brief 28/12](#)

This Brief sets out the conditions for NICs refunds following the repeal of the Social Security (Categorisation of Earners) Regulations 1978 in relation to lecturers, teachers, instructors or those in a similar capacity.

[Revenue & Customs Brief 29/12](#)

This Brief explains a change to the way in which HMRC calculates the vehicle restoration fee following seizure for misuse of rebated and other non-road fuels.

[Revenue & Customs Brief 30/12](#)

The purpose of this Brief is to explain a change in HMRC's position following the decision of the Tax Tribunal in the case of Robinson Family Limited.

[Revenue & Customs Brief 31/12](#)

This Brief announces publication of the removal of the VAT registration threshold for businesses which are not established in the UK.

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Stamp Duty Land Tax

Disclosure of tax avoidance schemes

HMRC has published updated guidance and has issued the disclosure forms to cover changes to the disclosure requirements for Stamp Duty Land Tax, which came into force on 1 November 2012.

[Read more about disclosure of tax avoidance schemes](#)

[Find disclosure of tax avoidance schemes forms](#)

Tax credits

Tax credits reminders

During November and December, HMRC will issue reminders to those tax credits customers who estimated their income for the previous year - asking them to provide their actual income. Agents dealing with these customers are asked to provide actual income details or remind their clients to do so.

VAT

[VAT Information Sheet 16/12 - Electronically supplied services: special scheme for non-EU businesses](#)

This information sheet advises the change of VAT rate in Netherlands from 1 October 2012.

[VAT Notice 700/1 - Should I be registered for VAT?](#)

This notice cancels and replaces the previous version in April 2010. Details of any changes can be found in paragraph 1.2.

[VAT Notice 700/45 - How to correct VAT errors and make adjustments or claims](#)

This notice cancels and replaces the previous version in July 2011.

[VAT Notice 700/46 - Agricultural Flat Rate Scheme](#)

This notice cancels and replaces the previous version in April 2011. Details of any changes can be found in paragraph 1.2.

[VAT Notice 700/52 - Notice of requirement to give security to HMRC](#)

This notice cancels and replaces the previous version in December 2010. Details of any changes can be found in paragraph 1.2.

[VAT Notice 700/56 - Insolvency](#)

This notice cancels and replaces the previous version in July 2012. Details of any changes can be found in paragraph 1.1.

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Compliance

[Business records checks](#)

HMRC's new approach to business record checks started on 1 November 2012

[Single Compliance Process - briefing paper for tax agents](#)

HMRC has extended the original Single Compliance Process trial phase for further testing to understand more about how customers will benefit from this approach.

[New guidance on financial sanctions](#)

HM Treasury has published guidance on financial sanctions and about work by the Asset Freezing Unit.

Contact

[Twitter](#)

Tweets cover information about HMRC and tax - including news, publications, information, consultations, speeches and publicity campaigns. Follow us on [Twitter@HMRCgovuk](#).

Corporation Tax

[Dormant companies becoming active for Corporation Tax](#)

Find out how the way dormant companies notify HMRC that they're becoming active has changed.

HMRC service

[Tax Agent Strategy](#)

Find out how the strategy aims to transform the relationship between HMRC and agents and read an update on the work - including the development of new online services for agents.

[Tax assurance - code of governance for resolving tax disputes](#)

HMRC has published a code of governance as part of the wider work to improve transparency and strengthen HMRC's governance of significant tax disputes.

[HMRC Contact Centre performance and management information](#)

As part of the Joint Initiative on Service Delivery, HMRC has worked with representative bodies to publish information about its Contact Centres.

[New address for statutory clearances](#)

Statutory clearance applications should now be sent to the new PO Box address.

Manuals

[Recent manual updates](#)

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

[The Patent Box guidance](#)

The Patent Box technical note and guide to the Finance Bill 2012 has now been incorporated into the Corporate Intangibles Research & Development Manual.

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National Insurance contributions

Changes to when deferment renewal applications will be issued

HMRC has changed the way they issue the renewal applications for 2013-14. Any renewal applications to defer Class 1 NICs will be issued first, shortly followed by renewal applications to defer Class 2 or 4 NICs.

[Read about Class 1 NIC](#)

[Read about Class 2 and 4 NIC](#)

Online

[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

[Change of address for employees](#)

If your client is an individual under PAYE and has changed their address, HMRC recommends that you (or your client) provide the information using HMRC's email service. HMRC asks that you encourage your clients to use this service as it will help make sure their address is updated correctly. It is quick and easy and they will get an immediate acknowledgment online.

Pension schemes

[Pension schemes for advisers and practitioners](#)

Detailed guidance, newsletters and forms for professional scheme administrators are now available.

[Pensions Newsletter 55](#)

The October 2012 edition has now been published which includes information on the revision to the interim and annual claim forms for relief at source.

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Self Assessment

[Self Assessment deadline - information for agents](#)

HMRC has brought together guidance for tax agents and advisers to help you manage the 31 January 2013 Self Assessment deadline.

[Register a new business with HMRC](#)

Register your client's business online for tax and National Insurance - it's quick and easy. If you decide to send form CWF1 instead, make sure that you download the latest version. From 1 February 2013, HMRC will return old forms as they don't provide enough information.

Toolkits

HMRC contacted agents in early November to encourage the use of the toolkits in the lead up to the Self Assessment deadline. Many agents are already benefiting from using the HMRC's toolkits - giving positive feedback and making suggestions for future changes. HMRC asks that you let them know - using the online feedback form - your experience of using toolkits which will help develop and prioritise future improvements.

[Toolkits to help minimise common errors](#)

[Toolkits online feedback form](#)

VAT

[Changes to VAT online services](#)

HMRC Online Services now includes a new way for you to register your clients for VAT and make changes to their VAT registration details.

[VAT relief for adapted motor vehicles and the Dealers' Voluntary Scheme](#)

HMRC has replaced VAT Notice 701/59 with two new helpsheets to help customers understand the qualifying conditions for zero rating adapted motor vehicles.

[Read more about the VAT relief for adapted motor vehicles for disabled people](#)

HMRC has also introduced a voluntary scheme for dealers to gather information about the supply of adapted motor vehicles and boats that have been zero-rated for VAT purposes. HMRC will then use this information to change their procedures and publish improved guidance.

[Find out more about the Dealers' Voluntary Scheme](#)

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Current consultations

[Improving the operation of PAYE: Real Time Information - closes 11 January](#)

This technical note presents draft amendments to regulations relating to PAYE, NICs, and the Construction Industry Scheme that will come into effect from 6 April 2013.

[Proposed change to formulation for completely denatured alcohol - closes 11 January](#)

This consultation seeks views on the proposed change to the formulation for completely denatured alcohol.

Summary of responses

[Possible changes to Income Tax rules on interest](#)

A summary of responses to possible changes to the Income Tax rules on interest and an explanation of HMRC's further proposals.

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National Working Together (WT) issues register

The National Working Together Team (NWTT) maintains an issues register that provides details of all open and closed issues, which can be viewed by local WT co-ordinators who use the register to keep their groups informed of progress. Find a summary of some of the issues below.

[Change to accepting form 64-8 for deceased estates for PAYE and Self Assessment individual customers](#)

Following feedback from agents as part of the Joint Initiative on Service Delivery, HMRC has changed its processes to accept a form 64-8 for a deceased customer as long as the department is able to verify the personal representative who has signed the form.

[Debt Management and Banking](#)

Thank you to the local WT agents who responded to our request for additional information on the Debt Management and Banking (DMB) issues. Your feedback has been very useful and has been passed to DMB colleagues who are now prioritising these issues. They are planning a series of visits to agent offices - as well as agent visits to DMB offices - to work with you on solving the issues raised.

[Online service issues](#)

Find the latest known issues with HMRC's online services and updates on how these issues are being progressed.

Other news and updates

[Single Compliance Process \(SCP\) Workshop](#)

Thank you to the Tolworth WT group who held a joint HMRC and agent event on 9 November focusing on the new Single Compliance Process (SCP). Approximately 70 agents and HMRC staff attended. The event involved a presentation followed by a jointly developed case study - designed to show how the SCP would change the practices of HMRC, agents and their clients.

Feedback on the day was tremendously positive, especially the enthusiasm for collaborative working and the reassurance that the SCP will help us all work towards a common goal - the right people to pay the right amount at the right time.

One agent advised: 'I was really encouraged by feedback from both agents and HMRC staff that the WT approach also managed to enhance the trust and mutual respect around the tables.'

The SCP is still being trialled but this event highlights the importance of working closely together to help shape the journey through the new compliance landscape.

[Find out more about the Single Compliance Process](#)

[Update on the email pilot for agents](#)

Following feedback from agents, we have extended the pilot until 31 March 2013 and expanded its scope.

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Other news and updates continued...

[Lin Homer's address to Chartered Institute of Taxation \(CIOT\) council](#)

Lin Homer (HMRC Chief Executive Officer) addressed the CIOT council on 23 October and advised CIOT members that there is commitment at the highest level in HMRC to working with agents.

[HMRC External Engagement Awards 2012](#)

Congratulations to Paul Aplin, one of this year's winners of HMRC's External Engagement award.

[Update from HMRC secondees](#)

Chris Dickinson (on secondment to the ICAEW) has been working on their annual survey of agents' views on HMRC service issues and agents' recent experiences with Debt Management and Banking. The feedback from these will help HMRC understand where improvements can be made. Chris has also attended some local WT meetings and continues to seek agents' feedback on HMRC service issues through various other channels including the ICAEW website.

Maureen Hendry has been involved in writing a feature length article on WT for Tax Adviser. She's issued an email to introduce herself to the CIOT and Association of Taxation Technicians (ATT) members - which had a great response. Members have advised her of the problems they are encountering with HMRC processes and systems as well as providing some suggestions on possible improvements. A number of the issues reported are already being looked at by the NWT and the Joint Initiative on Service Delivery - but some are not. Maureen is currently reviewing these for referral through the NWT.

Maureen has also been attending local WT meetings, and CIOT and ATT sub-committee groups. She delivered a presentation on the aims and achievements of WT to CIOT Branches Forum. These events provide her a great opportunity to meet the members, discuss first hand any issues they have and promote the work she is currently doing.

If you have any comments regarding this article please use the links below.

[Email Chris Dickinson](#)

[Post a comment on the ICAEW tax forum](#)

[Email Maureen Hendry](#)

[Post a comment on the CIOT Tax Forum](#)

Contact information for the other professional bodies

[ACCA Andrew Wilson](#)

[ICAS Derek Allen](#)

[ATT Jean Jesty](#)

[AAT Jeremy Nottingham](#)

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