



Keeping you informed

## Introduction

From 1 August, Mike Clasper, formerly chief executive at BAA plc, has taken up the post of Chair of HM Revenue & Customs (HMRC). Mike will be involved in the selection of HMRC's first chief executive, who will take charge of the Department's day-to-day business. Dave Hartnett will become acting chief executive until the selection process has been completed.

Mike's role will be to lead the Board, which will provide strategic leadership, approve business plans, monitor performance and ensure the highest standards of corporate governance.

Mike has four key priorities: data security and implementing the Poynter Review recommendations, the current economic pressures on our tax yield, getting even better at our customer focus, and helping our people to understand what the next stage in HMRC's journey is going to look like.

## This month's top articles

### [Important news for Trust or Company Service Providers \(TCSPs\) and Accountancy Service Providers \(ASPs\)](#)

Updated MLR guidance will help businesses decide if they need to register with us as a TCSP or ASP, and explain when and how to apply.

### [Employer CD-ROM 2008 Revised \(August\) edition issued](#)

Look out for your copy of the Employer CD-ROM 2008 Revised edition to be issued during August 2008. It includes revised calculators, help books and forms that take into account the changes to the personal allowance and basic rate band width.

### [Service issues with Online Services](#)

Read the latest news on important issues that may be affecting our Online Services and what to do if these affect you.

#### 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.

## Tax

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### Capital Gains Tax (CGT) and Income Tax

[Revenue & Customs Brief 32/08: Capital Gains Tax and Income Tax: former shareholders in Northern Rock plc and members of employee share schemes](#)

Read details of tax treatment of members of employee share schemes and former shareholders in Northern Rock plc.

### Corporation Tax

[Mixer cap and changes in Corporation Tax rate](#)

Read full details of the problem, which relates to taxation of foreign dividends, plus the Government's announcement of its intention to remedy the situation. You can also find details of HMRC's commitment to use its managerial discretion to give DTR in the meantime.

### Cross Tax

[Update on the Anti-Avoidance Simplification Review](#)

HMRC published an update on the Anti-Avoidance Simplification Review on 17 July 2008. The update focuses on three areas of the review which are being considered for simplification, and offers the opportunity to comment on these areas. We would really welcome your views. Please let us know what you think by completing the short questionnaire at [Chapter 3 of the review](#). Please send in your responses by 30 September 2008.

[Further information on New Powers](#)

Read more about the changes to legislation and the continued consultation.

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## Tax

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### Employee Shares Scheme

#### [HMRC's view on Extra-Statutory Concession A11 clarified](#)

Read guidance on clarifying HMRC's view of Extra-Statutory Concession A11 as it applies to Part 7, ITEPA 2003 (tax on employment-related securities and split-year treatment).

#### [Residence and domicile rules on the taxation of employment-related securities and options](#)

Read new rules regarding the remittance basis for those individuals who are resident in the UK but are either not ordinarily resident or not domiciled.

### Excise Duty

#### [Former PN 197 split into two notices](#)

The two new notices, available in electronic format only, are [PN 196: Excise Goods: Authorisation of warehousekeepers, Approval of Premises](#) and [PN 197: Excise Goods: Receipt into and removal from an excise warehouse of excise goods](#). The notices incorporate details laid down in Notice 201 which will be withdrawn shortly. New PN 197 deals with the receipt and removal of excise goods from warehouse and is to be read in conjunction with new PN 196.

### Inheritance Tax

#### [Northern Rock shares statement published](#)

Read a statement on the treatment of Northern Rock shares with regards to relief from inheritance tax when the company was taken into public ownership.

#### [IHT & Trusts newsletter August 2008](#)

View the latest edition of the IHT & Trusts newsletter to keep up to date with announcements about changes to processes when dealing with IHT & Trusts businesses.

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### Money Laundering Regulations (MLR)

#### [Important news for Trust or Company Service Providers \(TCSPs\) and Accountancy Service Providers \(ASPs\)](#)

Updated MLR guidance will help businesses decide if they need to register with us as a TCSP or ASP, and explain when and how to apply.

#### [Key dates for the registration of TCSPs and ASPs](#)

View the newly announced dates by which TCSPs and ASPs must be on the register and recommended dates for submitting applications.

### Personal Tax

#### [Forms for non-resident landlords now available](#)

View the replacement forms and notes for non-resident landlords which are now available for download.

### Research and Development (R&D)

#### [Changes to the R&D and Vaccine Research relief schemes](#)

A number of changes have been made to the Small and Medium Companies (SME) R&D and Vaccine Research Relief tax relief schemes which took effect from 1 August 2008.

### VAT

#### [Penalties clarified for claims for VAT refunds by overseas businesses](#)

View a PDF version of a new leaflet, produced by HMRC, explaining the new penalty regime in relation to claims by overseas businesses for VAT incurred in the UK. Printed copies of the leaflet, designed for SMEs and the self-employed, are also available.

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### [Revenue & Customs Brief 31/08: set off where right to overdeclared tax is transferred](#)

Read details of a new clause covering set off where right to claim overdeclared tax is transferred.

### [Latest issue of VAT Notes published](#)

Read the latest issue of the publication for VAT registered traders, including items on Schedule 10 (Land and Buildings) to VAT Act 1994, employment businesses, and further and higher education.

### [Amendment to the VAT exemption for fund management services](#)

Read details of amends to legislation, explanatory memorandum and guidance concerning changes announced at Budget 2008. For businesses wishing to submit claims for overpaid VAT please view the [Revenue and Customs Brief 35/08](#) for more details.

### [New leaflet helping tax payers avoid penalties produced](#)

View a PDF of HMRC's new leaflet, 'Take care to avoid a penalty', which you can give to clients. The leaflet explains how penalties for incorrect filing will be awarded under the new regime and how to avoid them.

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## HMRC Service

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### Cross Tax

#### [HMRC will no longer issue 'Reply Paid' Business Response Envelopes](#)

From 1 October 2008, HMRC will no longer issue pre-paid envelopes, with the exception of those issued for benefits and credits. Customers can now make all the relevant payments and file returns online via HMRC's website.

### PAYE

#### [Deferral of the new PAYE service](#)

Read more about HMRC's recently announced decision to defer the implementation of the new PAYE Service and Work Management System.

#### [Employer CD-ROM 2008 Revised \(August\) edition issued](#)

Look out for your copy of the Employer CD-ROM 2008 Revised edition to be issued during August 2008. It includes revised calculators help books and forms that take into account the changes to the personal allowance and basic rate band width.

#### [Employer Bulletin issue 30](#)

Read this month's issue of the online magazine for employers, including helpful information on changes to personal allowances. You can also read about changes to SSP forms SSP1 and SSP1L, and forthcoming upgrade work on the online PAYE service, involving the deletion of old files.

### HM Revenue & Customs (HMRC) Workforce

#### [HMRC Change Programme update](#)

Read the results of HMRC's recent review of workforce restructuring in the East Midlands, North East, South East and West Midlands.

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## Online Services

### [Service issues with Online Services](#)

Read the latest news on important issues that may be affecting our Online Services and what to do if these affect you.

## Research

### [Will you help us with our telephone survey?](#)

HMRC considers its relationship with Tax Agents and Advisers to be vitally important. We want to know more about our Agent customers and their specific needs and behaviours. We are therefore investing in a programme of research over the next few months and will be asking some of you if you would be willing to be involved in this work.

We're looking for a representative sample of Agents to let us know about the experiences you [your business] have had with us and we've sent out letters asking some of you if you're prepared to be involved in this research. The findings will be made available in due course. As the research is designed to guide our future improvements we hope you'll support us with this important project.

## RSS

### [Latest tax news for Agents](#)

Make sure you check the website for tax updates, including upcoming changes happening in September 2008. Alternatively, sign up to our RSS news feeds to receive automatic announcements of these changes.

## Self Assessment

### [Cheque repayments for online Self Assessments](#)

Read guidance on what to do when a customer prefers a repayment by cheque (rather than directly into a bank or building society account) after filing a Tax Return online.

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### [Interim guidance on specials, exclusions and work-arounds](#)

Read guidance on 'specials' and 'exclusions' (situations where returns cannot automatically be filed online). These documents are designed for software developers but can be useful for Agents. Further guidance specifically for Agents will be issued shortly in conjunction with Working Together.

### [Facility to print PDFs from Self Assessment Online reinstated](#)

Please note that we have reinstated the facility to print Self Assessment Returns in PDF format. The PDF contains a declaration page, which isn't provided within the HTML version. However, the new PDF printout will not be accepted by HMRC if submitted as a paper Tax Return.

### [File Capital Gains tax supplementary page using the HMRC Self Assessment Online service](#)

Read more on how to complete your 2007-08 Capital Gains details online using the HMRC Self Assessment Online service.

## VAT

### [Upgrade to VAT Online registration](#)

Read guidance on the changes recently made to the VAT Online registration form, in line with the revised paper VAT 1 released in December 2006. These changes will help to reduce the number of errors made when completing the form, and so could help reduce processing times for VAT registration applications. Key changes include improved descriptions, free text boxes and the marking of required fields.

## Working Together

### [Regional Working Together events planned](#)

We are planning to hold a series of regional conferences in September 2008 to strengthen the relationship between HMRC staff and Tax Agents at a local level. Confirmed dates so far are Birmingham 2 September 2008, Bristol on 10 September 2008 and London 11 September 2008. Read more about these events and register to attend.

### [Working Together issue 31](#)

In this issue, Working Together representative, Richard Mannion, gives his views on how the group is working to tackle the issues faced. Also view details on the enhanced Self Assessment Online Tax Return which provides automatic pre-populated data.

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## Consultations

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### Online filing

#### [Equality Impact Assessment on the planned introduction of compulsory online filing for Corporation Tax, VAT and employer PAYE](#)

Find out more about the consultation, which will seek views on whether this can be achieved without discrimination due to disability, race or other diversity issues.

### Corporation Tax

#### [Changes to Corporation Tax rules - closes 28 October 2008](#)

This consultation covers potential changes to the rules on late payments of interest between connected companies, to ensure EU compliance.

### Modernising Powers

#### [Reminder of closing date for two consultations - 11 September 2008](#)

Your last chance to comment on the following consultations: [‘Meeting the obligations to file returns and pay tax on time’](#) and [‘Interest – Working Towards a Harmonised Regime’](#).

### Taxpayer's Charter

#### [A new Charter for HMRC and its Customers - closes 11 September 2008](#)

This consultation sets out ideas for the scope and shape of a taxpayers ‘charter on the rights and obligations of customers when dealing with HMRC.’

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### VAT

#### [Simplifying the VAT Partial Exemption and Capital Goods Scheme - closes 30 September 2008](#)

We welcome responses to the consultation document published in June 2008, which considers ideas to simplify the standard method, de minimis and the capital goods scheme. It also considers the possibility of combining partial exemption and business/non-business calculations.

### Benefits in Kind and Expense Payments in Payroll

#### [Summary of responses: Benefits in Kind and Expense Payments in the Payroll](#)

Read a summary of the responses received by the Government to its consultation document 'Including Benefits in Kind and Expense Payments in Payroll'.

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