

Welcome

Tax

HMRC Service

Consultations

Editorial

Keeping you informed

Introduction

Welcome to the 19th edition of Agent Update. In this edition we feature a number of consultation and discussion documents, new anti-money laundering guides, updates on time to pay and how HM Revenue & Customs (HMRC) and the Department for Work and Pensions (DWP) are working together.

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 to you within a couple of minutes. You can then click on the link to view the full information.

Don't forget to register with us. You can now 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](#)

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.

This month's top articles

[Business by telephone - Statement of Practice](#)

HMRC can accept most information over the phone, but in certain circumstances you'll need to write in. This Statement of Practice summarises what business you can carry out by telephone or when you need to submit information in writing.

[Central Agent Authorisation Team: changes to turnaround times for paper forms](#)

Turnaround times for the processing of paper forms 64-8 and registrations for Self Assessment and self-employment are changing until 31 October 2010.

[Discussion document on improving the operation of PAYE - closes 23 September 2010](#)

This consultation seeks views on improving the operation of PAYE in the collection of real time information to simplify taxation and reduce burdens on business. It also invites views on an option for longer-term reform to improve accuracy and further reduce administrative burdens or alternative proposals to the same end.

Welcome

Tax

HMRC Service

Consultations

Editorial

Charities

Charities and the "fit and proper person test"

This guidance is for trustees of charities, directors of corporate charities, employees and volunteers of a charity who act on behalf of the charity (or are involved in appointing people to act on behalf of a charity) in claiming tax reliefs, or who exert control over spending the charity's funds.

Applying for recognition as a charity for tax purposes

New procedures and forms to apply for recognition as a charity for tax purposes are now available.



Compliance

London accountant jailed

A London accountant is jailed for eight years for stealing £11 million in Income Tax and VAT by manipulating both his clients' and his own tax returns.

Corporation Tax

Company accounts forming part of a Company Tax Return

HMRC has published guidance on company accounts required as part of the Company Tax Return.

Money Laundering Regulations

New anti-money laundering guidance

New anti-money laundering guides replacing Public Notice MLR8: Preventing money laundering and terrorist financing are available on the HMRC website. The new guides are sector specific and provide detailed guidance in relation to the legislation, risks, record keeping and reporting requirements relevant to each business sector.

[section continues >](#)

Welcome

Tax

HMRC Service

Consultations

Editorial

PAYE

[Employer CD-ROM update](#)

In September all users of the Employer CD-ROM can download an update from the HMRC website. It's vital that you do so to make sure the 2010 CD-ROM is up to date and ready for the HMRC PAYE tools download in 2011. You can register to receive an email alert when the tools are available. From 2011, HMRC will no longer issue paper versions of employer annual packs.

[PAYE late payment penalties](#)

HMRC has introduced penalties for late payment of PAYE in 2010 - the first of which will be payable from 2011. The percentage charged will increase to 2 per cent if you pay late five to seven times per tax year.

PAYE - NICs

[Marginal items of pay - when to work out NICs and PAYE](#)

Agents running a payroll can find out when a marginal item of pay can be included in an earnings period later than the one in which it was paid or treated as paid.

Pensions and Inheritance Tax

[New interim rules on pensions and Inheritance Tax](#)

This document explains how the new interim pensions and Inheritance Tax rules announced in the emergency budget and published in the Finance Bill 2010 will apply to members of registered pension schemes who reach age 75 on or after 22 June 2010.



Self Assessment

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

The Self Assessment paper filing deadline is 31 October, though HMRC encourages people to submit their returns electronically. Over the coming weeks we'll contact tax agents who file paper tax returns or use a mix of paper and online submission, to help understand and support them in moving to online. While filing electronically is not mandatory for Self Assessment, there is a significant cost to HMRC in processing returns filed on paper.

[section continues >](#)

Welcome

Tax

HMRC Service

Consultations

Editorial

VAT

[Revenue & Customs Brief 26/10 VAT: Changes to the application of the zero rate to new buildings intended to be used for a relevant charitable purpose](#)

The purpose of this brief is to remind charities of the withdrawal of the 'charitable buildings' concession (ESC 3.29) on 1 July 2010 and the transitional rules.

[VAT Information Sheet 13/10 - Calculating qualifying use of a charitable or communal residential building](#)

This Information Sheet provides example methods of calculating qualifying use so that a charity or home operator constructing a building can determine whether it qualifies for the zero rate.

[Revenue and Customs Brief 33/10 VAT: Changes to the exclusion of the option to tax on supplies of buildings to be used solely for a relevant residential or charitable purpose \(paragraphs 5, 6 and 7 of Schedule 10 to the VAT Act 1994 refer\)](#)

This brief accepts that option to tax can be excluded on supplies of a building or part of a building, which is to be used 95 per cent or more for a relevant purpose when the customer and supplier agree.

[Fleming claims for VAT repayments](#)

HMRC has created a new web page which brings together all published indirect and direct tax guidance.

[Revenue & Customs Brief 28/10 VAT: Liability of non-compliance carbon credits and carbon offsetting services](#)

This brief provides guidance on the VAT treatment of non-compliance market carbon credits (Verified Emission Reductions) and general advice on the VAT treatment of carbon offsetting transactions.

[Revenue & Customs Brief 31/10: Court of Appeal judgment in Insurancwide and Trader Media Group](#)

This brief sets out HMRC's position following the Court of Appeal judgment in Insurancwide.com Services Ltd and Trader Media Group Ltd. The Court of Appeal found against HMRC and upheld the decision of the High Court that certain supplies of insurance introductory services provided via the internet are exempt from VAT.

section ends

Welcome

Tax

HMRC Service

Consultations

Editorial

Contact

[Business by telephone - Statement of Practice](#)

HMRC can accept most information over the phone, but in certain circumstances you'll need to write in. This Statement of Practice details what business you can carry out by telephone or when you need to submit information in writing.

[Central Agent Authorisation Team: changes to turnaround times for paper forms](#)

Turnaround times for the processing of paper forms 64-8 and registrations for Self Assessment and self-employment are changing until 31 October 2010.

[Contact details for debtors](#)

HMRC may ask for the addresses and phone numbers of people who owe us money, but with whom we have lost contact. Section 97 and Schedule 49 of Finance Act 2009 enables HMRC to obtain up-to-date information from a third party where there are reasonable grounds to believe they have a business relationship with the debtor, and are likely to have recent contact details. We can impose a penalty if the third party refuses to comply.

[Trusts news and updates](#)

Read the latest trust news which includes detail on the centralisation of trusts telephone enquiries with a dedicated line for agents, a revised online filing system for Trust and Estate Tax Returns introduced on 1 July 2010 and a new form R185 (Settlor) which trustees may use to advise the settlor of income arising to a trust in which the settlor retains an interest.

Compliance

[New HMRC learning modules available for agents](#)

A learning module will be available shortly, detailing how we plan to publish details of people who deliberately evade paying tax. This includes the names of people who are penalised for evading more than £25,000 of tax if they don't fully co-operate with a tax investigation.

Corporation Tax

[Getting an agent code and changing your details](#)

Requests for Corporation Tax agent codes and written amendments to change an agent's details should include the following details: name, business name, business address (for example your firm's address) and business telephone number. Requests should be sent to:

HM Revenue & Customs
Central Agent Authorisation Team
Agent Maintainer
Benton Park View
Longbenton
Newcastle upon Tyne
NE98 1ZZ

[section continues >](#)

Welcome

Tax

HMRC Service

Consultations

Editorial

Corporation Tax Online - iXBRL software exhibitions

Glasgow event

On Wednesday 15 September 2010, HMRC will host the next software exhibition at Hampden Park Stadium, Letherby Drive, Glasgow, G42 9BA from 09.30 to 17.00. Commercial software vendors will showcase the products and services they've developed to support online filing of Company Tax Returns, with particular focus on accounts packages. The event is free and open to all.

Birmingham event

On Wednesday 3rd November 2010, HMRC will host a software exhibition at Birmingham City Football Club, St. Andrew's Stadium, St. Andrew's, Birmingham, B9 4NH from 09.30 to 17.00. We will publish more details in September.

Department of Work and Pensions

Department of Work and Pensions (DWP) deductions pilot

HMRC and DWP are working together to pilot a voluntary scheme in which some customers can agree to have deductions taken from their DWP benefits and use those deductions to reduce or clear tax credit overpayments or Self Assessment debts. HMRC is writing to invite some customers to take part.

Factsheets

Compliance factsheets to explain how HMRC check tax

In AU17 we highlighted the availability of HMRC compliance check factsheets. We've updated these following useful feedback from external bodies and staff. Your clients may already be aware of these as HMRC officers give them to customers so that they understand the reason for compliance checks and what their rights are.

Tax Help factsheets

HMRC has created a series of easy to understand factsheets covering the issues that small and medium size businesses need to know about. They are downloadable and include signposting to appropriate useful information and tools on the HMRC and Business Link websites.

Paying HMRC

Business Payment Support Service

HMRC expects everyone to pay their taxes in full and on time. If one of your clients thinks they will have difficulty paying their tax, they must contact the Business Payment Support Service before payment is due and we may be able to offer them time to pay.

Business Payment Support Service and time to pay - notification of repayments

If your client approaches the Business Payment Support Service with a request for time to pay they must disclose whether they have any VAT repayments due before we consider their request. If they don't, and a time to pay arrangement is agreed, the arrangement can be cancelled.

[section continues >](#)

Welcome

Tax

HMRC Service

Consultations

Editorial

PAYE late payment penalties

The new PAYE late payment penalties came into force from 6 April 2010 and HMRC are pleased to see that many more employers are now paying on time. Thank you to everyone who reminded their clients about the importance of paying on time and the late payment penalties. There are various ways to pay and we particularly welcome electronic payment. We received a number of queries from employers who thought they had paid on time through 'faster payment'. Our banking services are not set up to accept 'faster payment' and BACS payments take at least three working days to clear. You can find further advice about when to initiate electronic payments (and how to avoid misallocation) in Employer Bulletin 36.

Read more information on PAYE late payment penalties in [Employer Bulletin 36](#)

Use of private sector debt collection agencies

HMRC has appointed four private sector debt collection agencies to pursue tax debts during 2010-11: iQor Recovery Services Ltd, Credit Solutions Ltd, Commercial Collection Services Ltd and Fairfax Solicitors Ltd. This followed the success of a pilot in 2009-10 and the announcement by the Chancellor in the June 2010 Budget.

Manuals

Corporate Finance Manual

Recent updates to the Corporate Finance Manual.

Debt Management and Banking Manual

Details of recent changes to this manual are available.

Residence, Domicile and Remittance Basis Manual

Details of recent changes to this manual are available.

National minimum wage

Changes to national minimum wage

The national minimum wage rates will increase in October 2010. Workers aged 21 and above will be included in the main age band and an apprentice rate will be introduced.

Online

Future online services downtime

Information is available on any downtime that may affect the availability of our online services up to December 2010. Please note that the information is subject to change and confirmation by our IT provider.

Online security - stay safe online

HMRC strongly recommends you do not follow any links in emails that link directly to a website – rather that you copy and paste the URL/s into your browser. This approach helps ensure that the site you will visit is the one the email wishes you to view. If you have any concerns regarding the validity of any emails received from HMRC go to our online security pages for more information.

[section continues >](#)

Welcome

Tax

HMRC Service

Consultations

Editorial

PAYE

[Employer alert landing page](#)

Employers can now download the latest employer pack information including Employer Bulletin. Many of you advised that you're interested in knowing what information your clients can access via this facility.

[Employer Bulletin 36 is now available](#)

Employer Bulletin 36 is available online. It includes information on budget announcements which may affect your payroll (including a regional employer NICs holiday for new businesses), important news about the Employer CD-ROM and paying online by Direct Debit.

Tax calendar

[Agent tax calendar 2010-2011](#)

The 2010-2011 agent tax calendar which details key tax deadlines is available.

Toolkits

[New toolkits to be launched shortly](#)

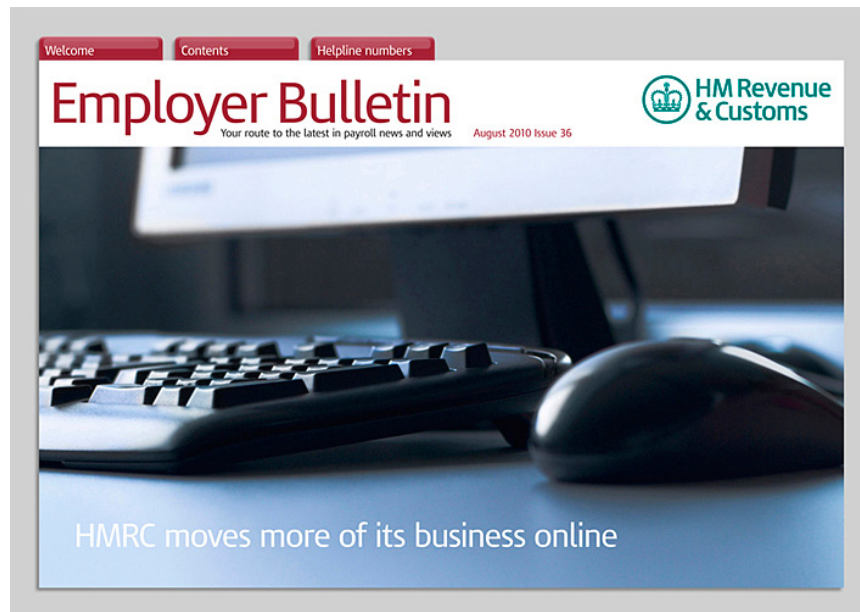
The following six toolkits are scheduled to be launched by early October – Capital v Revenue, Losses, VAT Input Tax, Directors Loan Account, Inheritance Tax and Benefits from Employment. These are in addition to the six toolkits that were launched on 17 May 2010. The toolkits have been designed to help minimise common errors when completing clients' returns.

Working Together

[Working Together \(WT\) publication 40 will be available in September 2010](#)

The review of the WT publication we mentioned in AU18 has been completed, WT issue 40 will be published on 22 September 2010.

section ends



Welcome

Tax

HMRC Service

Consultations

Editorial

Current consultations

[Banking levy - closes 5 October 2010](#)

This consultation, published on the HM Treasury website, seeks views on the design and implementation of a bank levy. An associated consultation stage impact assessment has been published.

[Discussion document on improving the operation of PAYE - closes 23 September 2010](#)

This consultation seeks views on improving the operation of PAYE by the collection of real time information to simplify taxation and reduce burdens on business. It also invites views on an option for longer-term reform to improve accuracy and further reduce administrative burdens, or alternative proposals to the same end.

[Disclosure of Inheritance Tax avoidance - closes 20 October 2010](#)

This consultation seeks views on the implementation of legislation designed to bring Inheritance Tax, as it applies to the transfer of property into trust, into the disclosure regime with the objective of addressing the problem of identifying such schemes and users at an early stage. An associated consultation stage impact assessment has also been published.

[Draft legislation for equitable liability concession - closes 1 October 2010](#)

This consultation seeks views on whether the draft legislation gives effect to the concessionary treatment known as equitable liability.

[Furnished holiday lettings - closes 22 October 2010](#)

This consultation, published on the HM Treasury website, is aimed at companies and individuals who operate furnished holiday businesses with properties in the UK or Europe, people and businesses linked to the tourism industry and tax professionals. It seeks views on a proposal to ensure that the tax rules for furnished holiday lettings meet European Union legal requirements in a fiscally responsible way, by changing the eligibility thresholds and restricting the use of loss relief.

[Loan relationships and derivative contracts: derecognition - deadline for comments 17 September 2010](#)

Responses are invited to a technical paper containing information on proposed changes to the Corporation Tax rules on loan relationships and derivative contracts on amounts not fully recognised for accounting purposes.

[Modernisation of investment trust company rules - closes 19 October 2010](#)

This document seeks views on the possible modernisation of the tax rules for investment trust companies together with consequential amendments to the Companies Act by the Department for Business Innovation and Skills. An associated consultation stage impact assessment has been published.

[section continues >](#)

Welcome

Tax

HMRC Service

Consultations

Editorial

[Pensions: transfers for members age 50 to 55](#)

HMRC will shortly publish draft regulations regarding the government's intention to remove the unauthorised payments tax charge where an individual aged 50 and over, but under 55, transfers their pension in payment to another pension provider. These regulations will be backdated to cover transfers made on or after 6 April 2010. If you have any questions about this announcement, please contact the HMRC Pension Schemes Services helpline on Tel 0845 600 2622 or e-mail pensions.policy@hmrc.gsi.gov.uk

[Removing the requirement to annuitise by age 75 - closes 10 September 2010](#)

This consultation, published on the HM Treasury website, is aimed at annuity providers, personal pension providers, insurance industry representative bodies, consumer organisations, industry advisers, professional bodies and all other organisations and individuals who have an interest in annuities and pensions taxation.

[Restriction of higher rate tax relief on pension contributions](#)

This document, published on the HM Treasury website, seeks views on the government's proposal on the restriction of higher rate tax relief on pension contributions.

[Scale of costs in successful court actions for debt in England and Wales - closes 23 September 2010](#)

This consultation follows earlier formal consultations on the scale of costs in successful court actions for debt in England and Wales and seeks views on whether the proposed scale of costs is a proportionate response to the problem HMRC identifies and whether it should be adopted.

[Taxation of foreign branches - closes 15 October 2010](#)

This discussion document, published on the HM Treasury website, seeks views on the scope of an exemption for foreign branch profits aimed at delivering a more territorial approach to Corporation Tax to enhance the UK's competitiveness.

[Consultation - summary of responses](#)

[Associated company rules](#)

This document, published on the HM Treasury website, summarises the responses to the recent consultation on simplifying the associated company rules as they apply to the small profits rate of Corporation Tax. As announced in the June Budget, the government will introduce the proposed legislation in Finance Bill 2011 and it will take effect from 1 April 2011.

[National Minimum Wage Regulations](#)

This document, published on the HM Treasury website, summarises the responses to the recent consultation on travel and subsistence schemes implemented for some temporary workers paid at or near the national minimum wage. The government has carefully considered the responses and has concluded that, on balance, action should be taken. It will amend the National Minimum Wage Regulations to take effect from 1 January 2011.

[Future consultation](#)

[Future consultation](#)

This section lists all planned consultations.

section ends

Welcome

Tax

HMRC Service

Consultations

Editorial

A note from the editor

You may have seen that on the 3 August, the Cabinet Office published early results showing the impact so far of the government's marketing and advertising freeze.

The freeze, which is overseen by the Minister for the Cabinet Office, Francis Maude, is part of the government's drive to get a grip on expenditure and to cut the structural deficit by £6.2 billion this year.

Since the freeze was introduced, all new campaigns have had to be sent for approval to the Efficiency and Reform Group (ERG), for a decision by the ERG Ministers. Expenditure may only go ahead if it's classed as essential activity and meets one of the specific exemptions.

We will keep you updated when we have further information on how this may affect you.

Read the full report on the Cabinet Office website <http://www.cabinetoffice.gov.uk/>

If you have any queries regarding this publication:

[Contact the editor](#)

section ends

