

Welcome

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## Keeping you informed

### Introduction

Welcome to the 20th edition of Agent Update. In this edition we feature important news on the national minimum wage, paying HMRC, details of free Joint Learning Together and iXBRL events and what businesses need to do when the standard rate of VAT increases from 17.5 to 20 per cent on 4 January 2011.

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

#### [Spending Review 2010](#)

Over the course of the Spending Review period, HMRC will make savings to reduce resource spending by 15 per cent in real terms, and capital spending by 44 per cent in real terms – with £900 million of those savings then being recycled into additional work against tax avoidance, evasion and criminal attack. The department's administration budget will be reduced by 33 per cent.

HMRC is making these tough decisions now to ensure resources are more effectively focused on collecting revenue and providing better services for taxpayers.

#### [Registering partnerships and partners](#)

New forms are available to help you register new partnerships and their partners for Self Assessment.

#### [New toolkits now available](#)

HMRC has published three more toolkits to make it easier for you to help your clients get their tax returns right. The new toolkits cover VAT input tax, Inheritance Tax and expenses and benefits from employment.

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## Budget

### [Budget updates](#)

The Chancellor of the Exchequer presented his Budget to Parliament on 22 June. You can read the updates on his announcements as they are published during the autumn.

## Capital Gains Tax

### [Revenue & Customs Brief 41/10 Share Loss Relief - relief for subscriptions by joint owners or nominees Sections 131 to 151 ITA 2007 \(formerly Sections 574 to 576L ICTA 1988\)](#)

This brief explains a change in our practice on relief against income for capital losses made on shares subscribed for in qualifying trading companies ('Share Loss Relief'). Our change of practice applies where individuals subscribe for a joint holding of shares, or subscribe for shares through a nominee.

## Corporation Tax

### [Transfer pricing: guidance update](#)

HMRC is revising and updating statements and guidance on Advance Pricing Agreements and Mutual Agreement Procedure and Arbitration. Contact details are available for agents working in these areas who would like to see a copy of the draft Statements of Practice.

## Construction Industry Scheme

### [Changes to the Construction Industry Scheme penalty provisions](#)

From October 2011 the penalties for late or non-filing of a contractor's monthly return within the Construction Industry Scheme are changing. The first return falling within the new penalty regime will be for the month ending 5 November 2011.

## Disclosure of tax avoidance schemes

### [Anti avoidance](#)

Watch out for updated guidance from HMRC on the disclosure of tax avoidance schemes regime which will be published shortly.

## PAYE

### [Additional statutory paternity pay and leave](#)

Read the latest guidance.

### [Employer CD-ROM - September update](#)

All users of the Employer CD-ROM 2010 need to download the update which was published on the HMRC website on 1 September.

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## [Extra Statutory Concession \(ESC A19\)](#)

If you think that HMRC should have already collected your client's tax due in their Tax Calculation (P800) because the information had already been provided and HMRC have failed or delayed to use this information, then in some limited circumstances HMRC may agree not to collect it.

## [Tax calculations](#)

HMRC have published information on what to do if your client gets a letter advising that they have under or over-paid tax for the tax years 2008-09 and 2009-10.

## [Pensions](#)

### [Restricting tax relief on pension savings](#)

HMRC have published draft legislation and guidance on the restriction of pensions tax relief that will be introduced from April 2011 by means of a reduction in the Annual Allowance from £255,000 to £50,000. The Lifetime Allowance will also be reduced from April 2012 – from £1.8 million to £1.5 million.

## [Self Assessment](#)

### [Registering partnerships and partners](#)

New forms are available to help you register new partnerships and their partners for Self Assessment.

### [Trust and Estates](#)

HMRC have published guidance to help you submit your clients' in-year returns including any gains accruing on or after 23 June 2010.

## [VAT](#)

### [Extension of deadline for the submission of EU VAT refund claims](#)

The deadline for businesses to submit their 2009 cross-border VAT refund claims has been extended from 30 September 2010 to 31 March 2011.

### [Missing Trader Intra-Community Fraud](#)

HMRC wants to alert agents whose clients are wholesalers trading in gas and electricity of a potential threat from fraudsters who may seek to steal VAT by perpetrating Missing Trader Intra-Community Fraud (MTIC). This information outlines some of the key indicators of MTIC fraud related activity.

### [Penalties for mistakes and delays with your VAT](#)

This guide explains what happens if your client misses the VAT Return and payment deadlines and what they should do to avoid and reduce penalties.

### [Revenue & Customs Brief 35/10 VAT: proposed reverse charge accounting for businesses trading in emissions allowances](#)

The purpose of this brief is to share the draft legislation and provide guidance on how the reverse charge for emissions allowances will operate.

### [Revenue & Customs Brief 37/10 VAT: leisure trusts providing all inclusive membership schemes](#)

This brief cancels Revenue & Customs Briefs 50/07 and 13/09 and mostly affects community leisure centres that are run by non profit-making trusts. Supplies made by commercial organisations are not affected and remain taxable at the standard rate.

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## [Revenue & Customs Brief 40/10 VAT: supplies of nurses, nursing auxiliaries and care assistants by state regulated agencies](#)

This brief announces a consequential amendment to the nursing agency concession that allows VAT exemption of certain services provided by nursing agencies.



## [Revenue & Customs Brief 43/10 VAT: 'Italian Republic' claims for overpaid VAT - partial exemption implications of the ECJ decision in Nordania Finans](#)

This brief gives information concerning a review by HMRC of the proper treatment of claims submitted as a result of the Italian Republic ECJ decision (C-45/95). Where businesses have invoked the Italian ECJ decision and any claims have not yet been paid, HMRC will be writing to businesses to invite them to submit revised claims which take proper account of the partial exemption implications before any payment is made.

## [Standard rate of VAT increases to 20 per cent in 2011](#)

Guidance on how to account for the forthcoming change to the standard rate of VAT. It also tells you where you can get further information.

HMRC has published a Supplement to VAT Notes 3 2010 which summarises what businesses need to know and do when the standard rate of VAT increases from 17.5 to 20 per cent on 4 January 2011.

[Read the supplement](#)

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## Compliance

### [Revenue & Customs Brief 36/10 - Compliance checks factsheets](#)

This brief explains the factsheets that HMRC sends to customers during compliance checks, their purpose, what they cover and when they are issued.

## Contact

### [Agent Account Managers](#)

HMRC has expanded the number of Agent Account Managers from 12 to 40 and published guidance detailing the services they provide, which include the new Issue Resolution Service.

### [Changes to HMRC Enquiry Centres](#)

Read about the introduction of new opening hours in some Enquiry Centres.

## Corporation Tax

### [Company accounts joint filing service](#)

The Companies House and HMRC joint filing service enables most small companies with relatively straightforward financial affairs to submit their company accounts online to both organisations using a 'one stop' online facility.

### [Corporation Tax Online - software and online forms](#)

HMRC recognises commercial solutions that are compatible with the Corporation Tax Online service. These products and services can be used to file Company Tax Returns online and to generate accounts and computations in the required iXBRL format. Most developers will be releasing their iXBRL-enabled accounts products before the end of autumn 2010. Please check the developers' websites for more detail.

## Events

### [Corporation Tax Online - iXBRL solutions exhibition](#)

On Wednesday 3rd November 2010, HMRC will host the next solutions exhibition at Birmingham City Football Club, St. Andrew's Stadium, St. Andrew's, Birmingham, B9 4NH from 09.00 to 16.30. Commercial software vendors will showcase the products and services they've developed to support the online filing of Company Tax Returns, with particular focus on accounts packages. You can register your interest in attending this event which is free and open to all.

### [Joint Learning Together events - new penalties](#)

Check out the three events in November which focus on how penalties are determined and calculated. Learning Together is supported by the leading tax institutes and associations including ICAEW, ICAS, ACCA, CIOT, AAT and ATT, but all practicing tax agents are welcome to attend these free events, regardless of professional affiliation.

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## Manuals

### [Recent manual updates](#)

You can get check the latest updates to HMRC manuals and sign up to get a reminder sent to you when changes are made.

## National minimum wage

### [Annual Report 2010 \(opens window in new site\)](#)

The National Minimum Wage Annual Report is now available. It provides details about the National Minimum Wage Compliance Strategy, a range of policy areas aimed at particular groups of workers and other workplace-related matters.

### [Change to rates](#)

The national minimum wage rates increased in October 2010. Workers aged 21 and above are included in the main age band and an apprentice rate has been introduced.

### [National minimum wage entitlement, rate and arrears checker \(opens window in new site\)](#)

This calculator will enable you to check that your client is paying the correct national minimum wage and where necessary, calculate any arrears due to workers following the October 2010 changes.

## 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.

## PAYE

### [Employer Packs](#)

From 2011, HMRC will no longer issue Employer Packs. From February, HMRC Basic PAYE tools (formerly the Employer CD-ROM) will be available to download from the HMRC website and the Employer Bulletin is also available.

### [Register to receive an email alert when the HMRC Basic PAYE tools are available](#)

## Paying HMRC

### [Direct Debit or BillPay](#)

HMRC recommends your clients make all tax payments electronically by Direct Debit or BillPay (debit or credit card). To do this they first need to register for our online services. HMRC has two online Direct Debit systems – one for VAT and the other for Self Assessment/PAYE for employers/Corporation Tax and the Construction Industry Scheme. It is now mandatory for some customers to pay electronically.

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## [Helping you and your clients pay their tax on time](#)

Create your own or suggest that your clients create a personal calendar and receive email alerts to remind you and them when their tax payments are due.

## [HMRC bank account details - A to Z list](#)

It's important that your clients use the correct reference numbers and HMRC bank account details when paying their tax to ensure the payment is received on time and to avoid any late payment penalties. You can check these online.

## [Paying tax on time](#)

Some of your clients are leaving it too late to pay their tax. Electronic payments made the day before payment is due won't be received on time. HMRC cannot currently accept payments using the Faster Payments Service. Please encourage your clients to leave enough time to meet the deadlines and avoid incurring a penalty for late payment.

## Tax credits

### [Agent authorisation for tax credits - form 64-8](#)

Agent authorisations for Self Assessment have previously been accepted for tax credits. To protect customer data, your client must now complete a separate form 64-8 to authorise you for tax credits if this wasn't specified on the original form 64-8.

## Toolkits

### [New toolkits now available](#)

HMRC has published three more toolkits to make it easier for you to help your clients' get their tax returns right. The new toolkits cover VAT input tax, Inheritance Tax and expenses and benefits from employment.

## VAT

### [VAT Notes No 3 2010](#)

This VAT note includes details of how to sign up to VAT Online, payments by cheque, introductory services to insurers/brokers, and if you file online – do we have your email address?

## Working Together

### [Working Together - Issue 40 now available](#)

Working Together (WT) 40 includes an update on the new WT model in relation to local groups and what's coming next, a new '60 second interview', a review of some of the working groups e.g. the Agent Authorisation Working Group and tips from Derek Allen, (Director Taxation, ICAS) on agent authorisation.

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## Current consultations

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

## Consultation - summary of responses

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

## Future consultation

### Future consultation

This section lists all planned consultations.

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## A note from the editor

### Businesslink.gov.uk

HMRC recently conducted user testing on proposals to improve the 'For professional advisers' area of Businesslink.gov.uk. I would like to thank the agents who volunteered to help with the testing and for the useful feedback provided. I'd also like to acknowledge the help provided by the accountancy bodies that assisted HMRC in recruiting these willing volunteers.

### Changes to HMRC manuals

We know that many of you bookmark information on the HMRC website and some page changes can cause broken links, so we wanted to let you know that a project is under way which will modernise HMRC's internal compliance operational guidance (COG).

The first phase of work has produced improved Employer Compliance (EC) guidance which HMRC staff are now using in place of the Employer Compliance Handbook (ECH). This new guidance will be available on the HMRC website from the end of November and the ECH will be withdrawn. Please check the website regularly for more on this work and to ensure that you're linking to the up-to-date material.

Future phases of COG development will modernise the operational guidance currently available for staff in the Compliance Handbook, including information on topics such as compliance checks and penalties.

If you have any queries regarding this publication:

[Contact the editor](#)

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