

Working Together

Agent Dedicated Lines near you

In July, Jean Jesty and her Working Together colleagues visited HMRC's contact centre in East Kilbride to see our Agent Dedicated Lines (ADLs) in action.

On the day of her visit, Jean saw how your calls to the Agent Dedicated Lines received priority, by being directed to specialist teams.

Jean told us "The ADL system is a totally different concept from the Agent Priority lines and the average speed of answer is 13 seconds. And just as importantly the HMRC adviser who answers will have at least one year's tax experience and will also have the immediate ability to hand over calls to a trained technician if they are unable to answer your specific question."

HMRC's evaluation of the calls received shows 97% are resolved by the adviser, with only 3% of calls escalated to technician level or higher.

The first two ADLs were introduced in Bradford and East Kilbride in December 2007, in response to agent concerns and complaints about contact centres. These pilots proved to be successful, and as a result six further ADLs went live in July, three more in August and the final one (Liverpool) is scheduled for October. Jean endorses this by saying "I strongly recommend that if you haven't already done so you should check out the HMRC website for full details of the new numbers and the areas covered for these **ADLs**."

During my visit I was also able to meet HMRC staff at all levels, including advisers and technicians. Due to the need to preserve agent

and taxpayer confidentiality, we were only able to listen to pre-recorded calls without agent and taxpayer details. However this still proved invaluable and gave me a taster of the types of queries being fielded. One call I listened to asked where to find the seafarers' earnings deduction claim on the new-style tax return; for those of you who are interested, the answer is box 11 on the Additional Information page.

As you will know from the recorded message that you hear when the call is first answered, "*for quality and security purposes, some calls may be recorded.*" In fact I discovered that all calls are recorded, and a number are monitored to provide feedback and to ensure the technical accuracy of the replies."

Jean added "my visit also included a tour of the UK Employer Helpline office which last year handled around 1.6 million calls. It deals with new employers registrations via both online registration (email) and by telephone. I found both employer and PAYE knowledge demonstrated by staff to be very impressive."

In conclusion Jean said "agents have long complained about contact centres, and this time HMRC have not only listened but taken action to address the problem. On behalf of the agent representatives on Working Together, I would like to thank HMRC for giving us the opportunity to visit the contact centre and watch it in action."

Links:

www.hmrc.gov.uk/agents/contacting-priority.htm

"I strongly recommend you check out the HMRC website for full details of the new numbers"

1 Local Working together
UTR processing, SA returns, and 'big book' changes

2 National Working together
ADLs, Construction Industry Scheme, Inheritance Tax, regional WT events, and agents' podcast

3 Updates from HMRC
RSS news feed, online updates, avoiding penalties, money laundering, October filing deadline, and PAYE Service updates

1 Local Working Together

Local Working Together is a forum for HMRC officers and tax practitioners to meet locally. To get involved and find out about a local group near you, check the WT local directory (www.hmrc.gov.uk/workingtogether/contact/local-directory.htm).

The following issues are those arising from local Working Together groups across the country.

Delays in UTR processing

We have heard your concerns about the delays that have been experienced in the issuing and notification of UTRs. We are sorry for any disruption to our service and the delays in setting up UTRs for some of our customers. We are addressing some of the problems and the latest position is:

- Further resources and training have been directed to the work which has now cleared the backlog.
- The online CWF1 form has been replaced by a new and more efficient e-business solution. Emailed CWF1 forms can now be sent direct to our Central Agent Authorisation Team desktops for action. Users of this service will receive instant confirmation once the form has been received.
- We are investigating whether there are delays in issuing the SA250 (the UTR notification form) that can be reduced by changing the process.
- We are looking at our end-to-end processes for both the issue of 64-8s and UTRs to identify improvements and develop more streamlined systems across HMRC.
- An update and revised guidance on the best ways to obtain UTRs and submitting CWF1s/64-8s will be published by the end of the year.

Pdf attachments to SA returns

For 2007-08 and future years taxpayers have the facility to file Capital Gains Tax computations and attachments electronically. We are aware that clients with large share portfolios managed by a stockbroker or other financial institution will often receive their capital gains schedules as part of their 'year-end pack'. Previously these may have been attached to a paper return. For returns filed electronically, the calculations will need to be attached as a pdf document. If you have a scanner, or photocopier with a scanning facility, it will be an easy matter to create a pdf version of the report for attachment to the SA return, although please be aware that the file size of the attachment should not exceed 5MB.

Alternatively, it is quite possible that the broker will be able to provide a pdf version either to the client or to you if requested. Working Together representatives have had discussions with members of the financial services industry and it is clear that this facility is already provided to some clients. So why not ask your clients to contact their broker to see if a pdf version of the capital gains pages can be provided?

In addition to a pdf version, at least one bank has the facility to provide the information in Excel format so that, for example, with a joint portfolio you could put in a formula to halve all the figures to arrive at the capital gain.

There will, of course, be occasions where the broker's calculations will not reflect the full capital gains position, especially where there is more than one share portfolio. In these circumstances, a separate schedule could be attached showing any deviations from the broker's calculations.

'Big book' changes

Many of you have raised queries and comments relating to the new Self Assessment tax returns guide (or 'big book' as it is more commonly known). We worked with a number of stakeholders on the changes in this year's print and we have **published reasons** why the changes were made on our website which you may find of interest. We will consider all the comments we receive on the new SA guide and feed these into changes for next year's publication.

Links:

www.hmrc.gov.uk/workingtogether/sachanges0708.htm

You asked “Are there any plans to produce a big book for CT returns?”

There are currently no plans to introduce a 'big book' guide for Corporation Tax similar to the SA guide. However you will find a [guide to CTSA](#) on our website and although written in 1999 much of the basics remain current.

Our manuals are available so that both company and practitioner alike can see the rules we use for any particular topic. Additionally we provide basic tools like a marginal rate calculator; helpful information for new companies; help with tax calculations, rates, and special topics like those for clubs; and useful links for charities, research and development and so on. Most of these are accessible from the main [Corporation Tax page](#) on our website. The quickest way to get the most recent manual updates is to subscribe to [RSS feed](#) as explained in section 3 of this publication.

Links:

www.hmrc.gov.uk/ctsa/guide.htm

www.hmrc.gov.uk/ctsa/index.htm

www.hmrc.gov.uk/rss/rss.htm

Correspondence attached to SA returns

Agents across the country have expressed their concerns about a rumour that we no longer take notice of letters sent in as part of the submission of tax returns and that these are taken out and destroyed without ever being read. We would like to assure you that in all cases correspondence accompanying tax returns is read.

Where the accompanying letters require action, or they form an integral part of the return by providing 'additional information' they are retained and handled as appropriate. However, where the letter merely refers to the fact that it is enclosing a return, it is detached and subsequently destroyed as we have no need to retain it.

During the course of conversations with agents and the members of the Working Together Steering Group, it became clear that agents could help to increase the speed of our processing of tax returns, and at the same time increase the value of their correspondence, by only attaching letters to tax returns that cover matters providing further information or which seek advice or

action from HMRC.

The other practical suggestion the Steering Group made was that where items of correspondence submitted with a tax return covered other non-related issues, it would be more helpful if such matters were submitted in separate correspondence to avoid them being retained with the return until processing.

We hope that adoption of both of these suggestions will reduce delays in dealing with your correspondence.

2 National Working Together

The national Working Together team co-ordinates the partnership with key agent representatives and it is the central point for issues submitted by the local groups which are of national significance. The team meets on a quarterly basis with the Working Together Steering Group (WTSG). Click here to [read the minutes](#) of these meetings (www.hmrc.gov.uk/workingtogether/sg-minutes.htm).

The following articles show our progress on some of the national issues and new initiatives that the Steering Group has been dealing with.

Agent Dedicated Telephone Lines

By the time this edition of Working Together is published we expect to have introduced dedicated telephone lines for agents to nearly all of our contact centres. These **new numbers** are for you to use for all your taxpayer specific enquiries about Self Assessment and PAYE for individuals/partnership matters. You will be given priority over other calls received in the contact centre.

To provide the best possible service, calls are answered by an adviser who has a quick route to a more experienced officer and a specialist if they're unable to deal with the enquiry themselves.

As Jean mentions in her front page article, initial feedback has been very positive and we hope that the new telephone lines will provide agents with a tailored service when they contact us.

The last dedicated line will go live in Liverpool at the end of October. For more information, and the numbers of all the contact centres you might

“We would like to assure you that in all cases correspondence accompanying tax returns is read”

need to call, take a look at [our website](#).

Finally, please do not pass these numbers on to your clients as they are intended for the use of agents and tax advisers only. Enquiries from taxpayers cannot be dealt with through this route.

Links:

www.hmrc.gov.uk/agents/contacting-priority.htm

New pilot scheme: 2000 characters of free text for agents

Our Portsmouth PAYE/SA Processing office is piloting a new service for agents. It allows agents to contact us about PAYE and SA matters affecting their clients via a structured form found on our website.

The form gives the agent space to write 2000 characters of free text, so it is rather like an email. Agents receive instant confirmation that their 'email' has been received, and a further acknowledgement giving the expected turnaround time.

Currently the pilot service can only be offered to agents whose clients' tax affairs are dealt with by the following tax offices:

- Portsmouth (PAYE refs beginning 581 and all SA cases dealt with by the office)
- Leicester (PAYE refs beginning 267 and 206 and all SA cases dealt with by the office)
- Cardiff (PAYE refs beginning 075 and 948 and all SA cases dealt with by the office)
- Bristol (PAYE refs beginning 034 and all SA cases dealt with by the office)

At this stage the pilot will be unable to deal with queries relating to:

- full or aspect enquiries
- repayment claims unless they are in relation to an existing PAYE or SA customer in that office
- Corporation Tax enquiries.

If you would like to take part in the pilot (for your clients dealt with by the above listed offices) please contact us at

diane.m.gauntlett@hmrc.gsi.gov.uk with your:

- email address(es)
- firm's name
- contact name(s)

- number of SA/PAYE clients you have (if possible).

Construction Industry Scheme – Requests for bulk payment details update

HMRC will no longer provide bulk payment and deduction details for subcontractors in the Construction Industry Scheme (CIS). The provision of these details to subcontractors and their agents has become a growing problem causing excessive demands on our resources, with many subcontractors and some agents seeking to obtain this information from us rather than keeping their own records. We will no longer provide bulk details but we will continue to help any subcontractor who has a genuine need for this information.

Requests for information from individual subcontractors or their agents will continue to be dealt with when it is demonstrated that they have been back to the contractor concerned to request a duplicate or missing payment and deduction statement. We will not however, be able to automatically provide lists of all payments and deductions covering a full year. Please see [our website](#) for more information on this.

Links:

www.hmrc.gov.uk/cis/bulk-payment.htm

Construction Industry Scheme – Removal of Gross Payment Status

The first review of subcontractors with Gross Payment Status (GPS) within CIS is now taking place and many subcontractors have received warning letters that their GPS will be cancelled in 90 days time.

Inconsistencies in the old scheme were addressed by setting out in regulations failures which could be ignored. When considering whether a subcontractor's compliance history is satisfactory during the 12 month period of review, we will ignore any, or all, of the following failures:

- 3 late submissions (up to 28 days late) of the contractor monthly return (including nil returns)
- 3 late payments (up to 14 days late) of CIS/PAYE deductions

- 1 late payment (up to 28 days late) of the SA return
- any employer's end of year (P35) return made late
- any late payments (up to 28 days late) of Corporation Tax, including where any shortfall in the payment has incurred an interest charge but no penalty
- any SA Return made late, and
- any payment not made by the due date, where it is less than £100.

Subcontractors have the usual right of appeal if they disagree with the outcome of the review and during that period whilst the appeal is dealt with GPS status will not be removed.

Inheritance Tax

Members of the Charities, Assets & Residence (CAR) Working Together Group recently met with senior managers from the Inheritance Tax Office to explore the possibility of working more closely together. The aim of this work would be to allow us to gain a better understanding of the interaction between the IHT reporting requirements and the civil process for administering an estate. You can find more information about this meeting in the August edition of the [IHT & Trusts Newsletter](#).

Links:

www.hmrc.gov.uk/cto/newsletter.htm

Regional events

By the time you read this we hope that a number of you will have already joined us at the regional events which were developed with the Working Together Steering Group.

The events are a chance to bring HMRC staff and agents together to:

- take part in technical workshops
- develop and share best practice for engagement between HMRC and the agent community
- meet, and ask questions of, senior HMRC directors who will set out the direction for HMRC, its structure and challenges.

During October, events will take place in Leeds, Edinburgh and Portsmouth and, depending on demand, we may consider taking in more towns and cities during the coming months.

We'll provide some more details about how the events were received in the next edition. We are also planning to record some of the material for use at local Working Together events so that people who have been unable to attend will be able to hear the key messages.

Agent's podcast

Look out for our recent podcast where Brian Redford, Director of the Agents and Employers Service Improvement Programme, talks about the latest issues for agents and the new penalties system for incorrect returns. You can download the [podcast](#) from our website.

Links:

www.hmrc.gov.uk/podcasts

3 Updates from HMRC

Sign up for automatic notification of the latest HMRC information for agents

Many of you have asked for a facility that notifies you of new information on the HMRC website. We are pleased to say that this new facility is now available. So why don't you sign up for RSS?

RSS stands for 'Really Simple Syndication' and is a means by which you can have the latest news and new web content delivered to you directly. No more having to go via the website to find a new article or feature as now you can use RSS to tell you. Please go to our website for more [information or to subscribe](#).

However, if you still prefer to surf the web you will be pleased to note the latest improvements to our website. One example has been changes to the information on expenses and benefits for employers which were made in response to customer feedback. The changes improve the guidance on carrying out the most common tasks on benefits arising from company cars, medical insurance and travel expenses. The pages have also been given a new look and the navigation has been simplified.

“The events are a chance to bring HMRC staff and agents together”

Several other sites have also been updated. Tools such as 'find a form' and 'contact us' have been added and our improved search function is currently being used 96,000 times on a typical weekday. See for yourself and click onto our [website](#).

Links:

www.hmrc.gov.uk/rss/rss.htm
<http://search2.hmrc.gov.uk/kbroker/hmrc/forms/start.jsp>
<http://search2.hmrc.gov.uk/kbroker/hmrc/contactus/start.jsp>
www.hmrc.gov.uk

Online service for nil payment notifications for PAYE & Corporation Tax

Since July 2007 accountants and agents, employers and companies have been able to provide nil payment notifications over the Internet.

A nil payment can be notified to us by the employer or company by entering their Accounts Office reference number and payment period, or Corporation Tax payment reference, into our dedicated [PAYE](#) or [Corporation Tax](#) web pages.

To date only around 10% of those eligible to use this service have chosen to, so you may have clients who are unaware of its benefits.

The new service is the most convenient and cost effective way to advise us that no payment is due. As the online service replaces the need to complete and post a nil pay-slip to HMRC, it has reduced handling and postal costs for employers and companies, and also reduced the demand for pay-slip booklets and envelopes. In its first year of operation we received over 350,000 nil payment notifications electronically and customer feedback has been very positive.

Should you or your clients have a large number of nil payment notifications to return, that is around 20 or more reference numbers, we can make the process even easier. Send an email to aoc.directpayments@gov.uk with 'NILS' in the subject line and provide contact details and we will reply with more information.

Links:

www.hmrc.gov.uk/howtopay/payee_nil.htm
www.hmrc.gov.uk/howtopay/corporation_tax_nil.htm

Changes to online VAT 1

Online VAT 1 (registration form) has been updated to reflect the revised paper VAT 1. Key changes include:

- The business activities screen incorporates the new SIC 2007 trade class descriptions.
- The business accounts screen includes a free text box for applicants to explain, if necessary, why they have been unable to provide their bank details. And a further free text box is provided for applicants to explain reasons for receiving repayments.
- Applicant's personal details now include the home telephone number and date of birth.
- A general improvement on clarity
 - mandatory questions are now marked with an asterisk
 - improved accessibility for users with visual impairment
 - screen title headings have been standardised to help navigation
 - improvements made to the on-screen hyperlinks to other sources of information.
- The registration date field for advance notifications has been changed from a drop down to a free text field.

Learn how your clients can avoid penalties

We have published a [learning package](#) to help agents and taxpayers understand the new penalty regime for tax errors. The module takes less than half an hour to complete and provides an overview of the new system.

During this financial year agents have the opportunity to help their clients identify and correct potential errors and weaknesses in their systems before the first penalties under the new regime are issued from 1 April 2009.

Initially, the new penalties are for errors on returns and documents for Income Tax, VAT, PAYE and National Insurance contributions (NICs) paid by employers, Capital Gains Tax, Corporation Tax and the Construction Industry Scheme. For these taxes the new penalties apply to returns or other documents for tax periods starting on or after 1 April 2008 that are due to be filed on or after 1 April 2009. The legislation is Schedule 24 of Finance Act 2007.

For more information, and in addition to the learning module, our [website](#) contains frequently asked questions, a leaflet, technical guidance and email details for queries.

[Revenue & Customs Brief 19/08](#) also explains how the new penalties work.

Links:

www.hmrc.gov.uk/about/new-penalties/NPA/HTML/NPA_menu.html

www.hmrc.gov.uk/about/new-penalties/index.htm

www.hmrc.gov.uk/briefs/vat/brief1908.htm

Register with HMRC – Money laundering

Under the 2007 Money Laundering Regulations HMRC has become the supervisor of two new sectors, namely Accountancy Service Providers (ASPs) and Trust or Company Service Providers (TCSPs).

The Money Laundering Regulations have been put in place to prevent businesses being used for money laundering and terrorist financing. TCSPs and ASPs must put in place systems to detect and prevent money laundering and terrorist financing. They must also register with HMRC unless they are already supervised by the FSA or a designated professional body. Further information on anti money laundering systems can be found in our notice [MLR8 - Preventing money laundering and terrorist financing \(Money Laundering Regulations 2007\) \(effective from 15 December 2007\)](#).

HMRC has the power to impose civil penalties or prosecute businesses that do not register at the right time and comply with the regulations. Under the new risk based approach introduced in the 2007 Regulations we have adopted a flexible method to tackling compliance, tailoring our actions to meet the diverse needs of our business population.

In order to register with HMRC:

- existing TCSPs will need to submit application forms before 30 September 2008 and the registration certificate will be issued by 31 December
- new TCSPs will need to apply to register before carrying on that business
- TCSPs must also apply for the Fit and Proper test as part of the registration process

- ASPs must be registered with HMRC before 1 January 2009 and submit application forms before 30 September 2008.

If you would like to know the full range of businesses covered and the registration requirements for TCSPs and ASPs, you can find them in [MLR 9 Registration Notice](#). Further information can be found by clicking on our [website](#).

Links:

www.hmrc.gov.uk/mlr/mlr8.pdf

www.hmrc.gov.uk/mlr/mlr9.pdf

www.hmrc.gov.uk/mlr

Essential tips for the October filing deadline

The statutory filing date for 2008 paper returns is 31 October 2008 for returns issued at the normal time. Any paper returns received after that date will be late. But the deadline for returns filed online remains 31 January 2009, giving you an extra three months to file. Additional benefits of [online filing](#) include automatic calculation of the liability, faster issue of any repayments, and the issue of an electronic receipt.

Links:

www.hmrc.gov.uk/sa/file-online.htm

Penalties

Any paper returns received up until the end of Friday 31 October will not incur a penalty. The practical effects of this, in line with the Special Commissioner's decision in *Steeden v Carver*, will be published in supplementary guidance on our website by mid October 2008.

A penalty incurred for filing a paper return after 31 October cannot be mitigated by then filing an online return before 31 January.

Substitute returns

Agents are reminded that substitute returns are no longer sanctioned by HMRC and any return sent in should be identical or substantially the same as the official [HMRC version](#) of the return and its supplementary pages.

Links:

www.hmrc.gov.uk/sa/forms/net-07-08.htm

Attachments

For paper returns we ask that you only attach material directly supporting the return and material which cannot be entered into the white space. However, our online service does allow supporting **attachments** of up to 5MB to be sent with the return.

Links:

www.hmrc.gov.uk/sa/attachments.htm

Payments

Balancing payments for 2007-08 are due on 31 January 2009. Rather than posting a payment please consider **paying electronically**.

However, if cheques are to be posted with a return, you must attach a payslip and enter the client's UTR on the reverse of the cheque. Where you post payments to the Accounts Office it is best to send a single cheque with a single payslip. But if you need to send a composite payment for more than one client (including partnerships) in a single cheque, please ensure there is a separate personalised payslip for each taxpayer.

Links:

www.hmrc.gov.uk/howtopay/self_assessment.htm

Enquiry Centres

A list of Enquiry Centre opening hours for handing in SA returns, and a list of HMRC offices with post boxes that are accessible 24 hours, will also be provided in the supplementary guidance on our website by mid October 2008.

Receipts

Receipts will not be given for returns handed in personally, but remember that online returns automatically receive a receipt.

Security guards

Security guards are not HMRC employees and are not allowed to accept returns handed in at offices out of hours.

New Powers – New compliance checks

The Finance Act 2008 which has recently received Royal Assent provides for aligned information and inspection powers, rules for record-keeping, and time limits for assessments and claims. The legislation stems from work undertaken by HMRC's Review of Powers, Deterrents and Safeguards and has been the subject of wide consultation.

A new team has now been set up with responsibility for producing technical and operational guidance and a comprehensive learning package. All three elements will be the subject of external consultation.

We expect that technical guidance will be put to external consultation by the end of September. Operational guidance will be produced in sections and once a section is completed, consultation will be sought.

The new team wish to work collaboratively with businesses and their representatives and welcome early contact and views ahead of the process outlined above.

For further information about the new Powers please contact Catherine Gregory, Project Leader or Heather Jones, Project Manager via compliance.checks@hmrc.gsi.gov.uk

Deferral of the new PAYE service

In July we announced that we had deferred the implementation of the new PAYE service which we planned to introduce in October 2008.

We recognise the huge importance of the changes we are making to PAYE processing and the customer service improvements they will bring. We will not implement the new PAYE system until we can be sure it will meet the demands that will be placed upon it.

At this stage we are taking stock and planning for a new implementation date at the earliest possible opportunity in 2009. We will let you know when a date has been decided. In the meantime, you should continue to **contact us** in the normal way.

Links:

<http://search2.hmrc.gov.uk/kbroker/hmrc/contactus/start.jsp>

PAYE service unavailable at the end of October

We are upgrading our PAYE online return and forms in October 2008.

While we are doing this, you will not be able to use online PAYE return or forms on behalf of your clients for the five days ending on 27 October. Agents using EDI or Payroll Software are unaffected by this upgrade.

When we upgrade the system, we will be deleting all the returns and forms you sent us on behalf of your clients before 6 April 2005, as well as everything you have entered onto the system but have never actually sent.

You will not be able to access this information once we have deleted it. So we strongly recommend that you review any pre-6 April 2005 information and all the un-submitted information you hold on online for your PAYE clients. You can then decide whether you want to save it to your own system, print it off for your clients' records, or send it to us.

Editorial

Working Together is a partnership between HMRC and CIOT, ICAEW, ACCA, ICAS, ATT & AAT. Letters on any article appearing in this publication should be sent to the editor Kim Nicholas, Agent & Employers Service Improvement Team, 7th Floor, North SW Bush House, The Strand, London, WC2 B4RD or by email kim.nicholas1@hmrc.gsi.gov.uk or to your professional body.

Back issues can be found on the [HMRC website - WT Publication](#) (www.hmrc.gov.uk/workingtogether/publications/index.htm)

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Contact details

One of the key objectives of Working Together is to improve two-way communication between HMRC and tax advisers. If you have any comments please contact the HMRC Working Together Team or your Professional Representative (contact details are below). If you are contacting your professional body or your local Working Together Group, please make clear that your comment is about Working Together.

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