

Virtual Communications Group Digital Services Update November 2020

Making Tax Digital

- There are over 1.4m businesses signed up to MTD as of 26 October and over 7 million VAT returns have been successfully submitted through the service. Overall, around 86% of all businesses mandated to join from April 2019 are now signed up to the MTD service. The proportion of non-mandated businesses who have signed up voluntarily is currently over 32%.
- HMRC has published another MTD case study on GOV.UK of an accountancy firm '*French Duncan Chartered Accountants*' this brings the total to 11 case studies with further case studies expected to be published soon.
- The ABAB Annual Report 2020 was published 29 October. It was broadly positive about MTD and highlighted the collaborative approach that HMRC have adopted.
- A further ITSA webinar took place on the 6 November. To date HMRC ITSA webinars have been attended by well over 6,000 businesses and agents.

Trust Registration Service

User Research

TRS will be extended to include functionality to register Non-Taxable Trusts. This part of the service is currently in the development phase.

To help HMRC in developing this aspect of the service, we are looking to speak to people who have set up a Trust or are a trustee for a Trust that is not liable to pay tax.

- Do you or anyone you know have a Trust that falls into this category?

We would also like to hear from you if you are an agent who will be registering a trust that is not liable for tax, on behalf of a client.

If so and you are interested in participating in user research, now or in the future, please contact – serviceteam17.digital_ddcn@digital.hmrc.gov.uk

VAT reverse charge on construction and building services

In order to help construction businesses deal with the effects that the coronavirus pandemic has had on them and give them more time to prepare, this reverse charge measure will now come in on 1 March 2021. A [Revenue and Customs Brief](#) was issued in June, giving more information.

Further information on the scope of the reverse charge and how it will operate can be found in this [guidance note](#).

Every VAT-registered construction business will have received an individual letter in September, advising them to check if they might be liable for the reverse charge. If so, they should start to prepare now.

The key aspects are:

- It will apply to standard and reduced-rated supplies of building and construction services made to VAT registered businesses, who in turn also make onward supplies of those building and construction services.

- The contractor will be responsible for paying the output VAT due rather than the sub-contractor but can continue to reclaim this amount as input tax.
- The scope of supplies affected is closely aligned to the supplies required to be reported under the Construction Industry Scheme but does not include supplies of staff or workers for use by the customer.
- The legislation introduces the concept of “end users” and “intermediary suppliers”. This covers businesses or groups of associated businesses that do not make supplies of building and construction services to third parties and as such are excluded from the scope of the reverse charge if they receive such supplies. Examples include landlords, tenants and property developers.

HMRC will run a series of webinars for businesses and Talking Points webinars for agents.

For business webinars, please [register here](#). If no dates are showing as available, the webinar recordings will be made available online.

If you would like to attend an Agents Talking Points webinar please [register here](#)

If you have registered to do so, you will be notified when these webinars are run.

More information on the Construction Industry Scheme can be found [here](#)

Communications

HMRC communications issued since October VCG

Retrospective HMRC communications

HMRC emails to agents

- Covid-19 Update emails
- Email promoting publication of Agent Update 80
- Agent Talking Points emails

Blog posts

This information was posted on the GOV.UK webpage, [HMRC working with tax agents](#).

| Date | Subject |
|----------|--|
| 27/10/20 | Agent Update issue 80, celebrating 80 editions |

Future Planned Communications

Current Agent Talking points webinars: (as at 06/11/20)

Off-payroll working rules from April 2021: Contractors: This webinar gives an overview of the changes to the off-payroll working rules which come into effect on 6 April 2021. It is specifically designed to help contractors understand what these changes will mean for them.

[Monday 9 November – 2.15pm to 3.15pm](#)

Income from property for individual landlords – part 1: The webinar looks at restricting finance cost relief and the cash basis eligibility and computational rules.

[Wednesday 18 November – 12.45pm to 1.45pm](#)

Income from property for individual landlords – part 2: This webinar looks at some of the main expenses and deductions, such as capital expenditure, revenue repairs and the property allowance.

[Monday 23 November – 11.15am to 12.15pm](#)

Off-payroll working rules from April 2021: This webinar gives an update to changes to the off-payroll working rules (IR35) from April 2021 for the public sector and medium and large sized organisations.

[Tuesday 24 November – 2.15pm to 3.15pm](#)

Capital Allowances and Vehicles: This basic webinar is part of our annual SA programme covering the rules for cars, qualifying expenditure, pools and rates, and vehicle hire purchase.

[Thursday 26 November – 12.45pm to 1.45pm](#)

Agent Update

The final Agent Update for the year (AU 81) will be published on **Wednesday 9 December**.

We are pleased to announce the publication dates for Agent Update in 2021

| Dates | Agent Update |
|------------------|--------------------------|
| 17 February 2021 | Publish: Agent Update 82 |
| 14 April 2021 | Publish: Agent Update 83 |
| 16 June 2021 | Publish: Agent Update 84 |
| 11 August 2021 | Publish: Agent Update 85 |
| 20 October 2021 | Publish: Agent Update 86 |
| 8 December 2021 | Publish: Agent Update 87 |

Digital Communication Services (DCS) – Agent Forum (October 20) Update for VCG

Agent Forum (AF)

As at the end of October 2020 the Forum had **1144** registered subscribers including Professional Bodies, of **1229** users signed up to its predecessor forum. We are separately inviting various customer groups with Capital Gains payment liabilities or Trust registration responsibilities to HMRC; the Law Society and Society for Trust and Estate Practitioners (STEPS) amongst them.

Registrations are now getting close to the levels of its former platform and participation and issues traffic are increasing. We are also stepping up our recruitment of internal HMRC users.

Thus far during 20/21 we have dealt with **304** widespread issues, across all Heads of Duty. We continue to support agents and their clients through the COVID-19 crisis and have a live dedicated panel to deal with related issues and publish guidance for all associated schemes including the Self-Employed Income Support Scheme (SEISS), Job Retention Scheme (JRS) and Eat Out to Help Out scheme. We will be having two new boards, one for UK transition and one for Self-Assessment.

We have in conjunction with our Issues Overview Group (IOG) stakeholder colleagues, put in place procedures to identify high priority widespread issues to be taken forward for resolution with our internal technical specialist and communications partners. This is being monitored by the Agent Forum team and others.

We continue building our internal HMRC Subject Matter Experts (SMEs) capability, formalising recruitment from across HMRC to improve the quality and timeliness of issue resolution responses and to focus on Agent Forum operations.

Performance metrics thus far for 20/21 include over **21500k** forum views and **255** resolved topics since April 2020, which are all moderated daily with appropriate responses given, as determined by subject matter, related traffic generated, and referrals provided by line of business. We have reviewed our performance metrics to more effectively manage our live 'aged cases' portfolio, given we better understand new functionality provided by the MS Dynamics platform.

The Digital Customer Support Services (DCSS) Agent Team is staffed by a Service Manager and 2.5 FTE Moderators, who moderate and run the forum.