



Update for Agents

Dear Agent,

Welcome to edition number 18 of our Making Tax Digital (MTD) Update for Agents.

Please send any suggestions for topics you would like us to cover in future editions of this update to our mailbox at:

makingtaxdigital.mailbox@hmrc.gov.uk

This is also the email address to use to be added or removed from the distribution list.

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1. Changes to Agent Services Account

Our Agent Services colleagues continue to develop and enhance the Agent Services Account. Here are the latest developments that will be deployed by the end of September.

1.1 Updating Agent Services Account details – name / address / email address

We have published additional information on the ASA about how Agents can change their own designatory details:

Account details page

New content and link to guidance to make users aware of process to change their Agent Services account details

Account details

To change these details you will need to write to us. [Find out more by reading the guidance \(opens in new tab\)](#). You can only change your details if you are a director, company secretary, sole trader, proprietor or partner.

Agent services account details

Email address	trading@company.co.uk
Name	None
Address	4 Some Road Some Town BN1 1NW

Page remains only accessible to administrator users from the "Manage account" tab on the Agent Services homepage

New content highlights the process to request a change to their Agent Services account details

Link goes to - <https://www.gov.uk/guidance/change-or-remove-your-authorisations-as-a-tax-agent#changes-you-can-make-in-writing>

The guidance states:

Updates to the agent name, address and email address can now be done by writing to us at:-

HMRC

National Insurance Contributions and Employer Office

BX9 1AN

United Kingdom

The agent name is the name a client sees when you ask them to authorise you online.

You will need to include:

- Your name and relationship to the business (you must be a director, company secretary, sole trader, proprietor or partner)
- The details that currently show in the account you are changing
- Your Unique Taxpayer Reference (UTR)
- Your phone number

A letter confirming the update will be issued.

The updated details can be viewed in your ASA in Account details.

The GOV.UK link in the Account details page includes the above details ([Change or remove your authorisations as a tax agent - GOV.UK \(www.gov.uk\)](#))

1.2 Pages that individuals get when clicking on authorisation request from agent

Following feedback from Agents we looked at making some things clearer on the Individual client authorisation journey.

We thought Agents may wish to be aware of what Individual clients will now see when you send them an authorisation request.

Individual client type warm up

Pages that individuals get when clicking on an authorisation request link from an agent and before signing in

Current warm up page for individual clients

Aim of page: Ensure clients sign in with the correct Government Gateway ID to respond to their agents authorisation request.

Some adjustments were made to this page for the introduction of alternative authorisation for MTD ITSA. This introduced some challenges:

- For MTD ITSA clients can now create a new Government Gateway login to respond
 - We only want them to create a new GGID if they don't already have one
 - Clients can't respond to authorisation requests to other tax services if they create a new GGID

To try and ease these challenges we have designed a new warm up journey for individuals

Authorise ABC Accountants to deal with HMRC for you

Use this service to allow ABC Accountants to help you manage your tax affairs.

So we can confirm who you are, you will need to sign in with the Government Gateway user ID you use for your personal tax affairs or VAT.

If you authorise ABC Accountants, this will cancel any consent you gave to someone else to act for you for the same service.

Authorisation for Making Tax Digital for Income Tax

If you want to authorise an agent for Making Tax Digital for Income Tax, sign in with the Government Gateway user ID you use for Self Assessment. If you do not have one, you can:

- sign in with a Government Gateway user ID you use for your personal tax affairs
- [create a new Government Gateway user ID](#)

Sign in

[I do not want to authorise ABC Accountants](#)

New warm up journey for individual clients

First warm up page is simplified with less information

Authorise ABC Accountants to deal with HMRC for you

Use this service to allow ABC Accountants to manage your tax affairs.

So we can confirm who you are, you will need to sign in with the Government Gateway user ID and password you use for your personal tax affairs or VAT.

If you do not have a Government Gateway user ID for your personal tax affairs or VAT, you will be able to create a new one.

If you authorise ABC Accountants, this will cancel any consent you gave to someone else to act for you for the same service.

[Continue](#)

[I do not want to authorise ABC Accountants](#)

New warm up journey for individual clients

Second page is used to identify if clients have a relevant Government Gateway login that they can use to respond to their agents authorisation request

Do you have a Government Gateway user ID for personal tax affairs or VAT?

For example, one that you use for your personal tax account or Self Assessment.

Yes No

[Continue](#)

New warm up journey for individual clients

Selecting yes takes clients to sign in through Government Gateway and then respond to the authorisation request as normal

Do you have a Government Gateway user ID for personal tax affairs or VAT?

For example, one that you use for your personal tax account or Self Assessment.

Yes No

[Continue](#)

Sign in using Government Gateway

Government Gateway user ID
This could be up to 12 characters.

Password

[Sign in](#)

[Create a new account](#)

Problems signing in

[I have forgotten my password](#)

[I have forgotten my Government Gateway user ID](#)

New warm up journey for individual clients

Selecting no takes clients to another page to identify what tax service authorisation is being requested for

Do you have a Government Gateway user ID for personal tax affairs or VAT?

For example, one that you use for your personal tax account or Self Assessment.

Yes No

[Continue](#)

Is your agent requesting authorisation for Making Tax Digital for Income Tax or PAYE income record?

Yes

No - my agent is requesting authorisation for a different tax service

[Continue](#)

New warm up journey for individual clients

Is your agent requesting authorisation for Making Tax Digital for Income Tax or PAYE income record?

- Yes
 No - my agent is requesting authorisation for a different tax service

Continue

Selecting yes takes clients to a page to inform them that they can create a new Government Gateway ID to respond to their MTD ITSA or PAYE income record authorisation request. Continuing takes them directly to Government Gateway to create their new login and pass Identity Verification, after which they can accept the authorisation request

You need to create a new Government Gateway user ID

Only create a new Government Gateway user ID if:

- your agent is requesting authorisation for Making Tax Digital for Income Tax or PAYE income record
- you do not have a Government Gateway user ID for personal tax affairs or VAT, for example, one that you use for your personal tax account or Self Assessment

Next we will ask for your details to set up your new Government Gateway user ID and to confirm your identity.

Continue

New warm up journey for individual clients

Is your agent requesting authorisation for Making Tax Digital for Income Tax or PAYE income record?

- Yes
 No - my agent is requesting authorisation for a different tax service

Continue

Selecting no takes clients to a page informing them they need to sign up to the service they want to authorise an agent for. Links to guidance on this are provided

You need to sign up to the tax service your agent is requesting authorisation for

To authorise an agent, you will need to:

- [Create a Capital Gains Tax on a UK Property account](#)
- [Sign up for Making Tax Digital for VAT](#)

New warm up journey for individual clients - summary

Aim of new design:

- Prevent clients incorrectly creating new, potentially duplicate, Government Gateway logins, but still encouraging clients that do not have one to create one for accepting an agent authorisation request
- Ensure users sign in with the correct Government Gateway ID

User research has so far proven that the new journey will help users responding to agent authorisation requests. After releasing we will monitor the new journey through analytics to hopefully prove the new journey helps clients and continue to iterate if required.

Note - the warm-up page is not changing for organisations

2.1 Impact of Making Tax Digital (MTD) for VAT — independent report published

Since April 2019, all VAT registered businesses with VAT taxable turnover above the VAT registration threshold (currently £85,000) have been required to keep records digitally and use software to submit their VAT returns.

MTD is fundamental to achieving our goal of building a trusted modern tax system, supporting the digitalisation of the UK and making it easier for businesses to get their tax right and keep track of their finances.

HMRC commissioned this research to gather evidence on the extent to which MTD for VAT is achieving its objectives. These objectives include:

- reducing scope for error
- making it easier for businesses to get their tax right
- improving certainty and control
- supporting digital integration
- understanding the extent of costs and benefits experienced by businesses as a result of their response to MTD for VAT
- understanding the extent of wider impacts of MTD for VAT on businesses
- understanding the factors most likely to lead to positive outcomes following MTD

[The Impact of Making Tax Digital for VAT report](#), commissioned by HMRC and undertaken by IFF Research, is available to read.

Readers will see a growing acceptance that MTD has provided many businesses with some benefits.

2.2 Manage your client's VAT account online

Agent feedback has identified a need to view client payment due dates and payment history online.

In response to this feedback we are delivering this functionality at the end of September.

Agents can access this service from their Agent Services Account.

8a. MTD VAT – viewing your client's VAT payments

MTD VAT Viewer - what the agent sees online for a client (now) below...

Agent Services Account > Your client's VAT details

Your client's VAT details

VAT registration number: 999984111
[Change client](#)

Client details Change your client's business and contact details or VAT Return dates. View business details	VAT Returns View your client's submitted returns. View submitted returns	VAT certificate View and print your client's VAT certificate. View VAT certificate
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Opt out of Making Tax Digital for VAT

You cannot opt out if your client's taxable turnover has been above £85,000 since 1 April 2019.

Cancel VAT registration

Cancel your client's VAT registration if you're closing the business, transferring ownership or do not need to be VAT registered.

19/09/2021

MAKING TAX DIGITAL FOR BUSINESS OFFICIAL

NEW from October 2021 – agents will get to view client payment obligations & payment history

Agent services account > Your client's VAT details

Your client's VAT details

VAT registration number: 999984111
 ABC Digital Solutions Ltd
[Change client](#)

Next payment due

7 May 2021

[Check what you owe](#)

Next return due

[View return deadlines](#)

History

[View past payments](#)
[View past returns](#)

Manage VAT

View business details

Change your client's business and contact details or VAT Return dates.

View VAT certificate

View and print your client's VAT certificate.

Sign up for Making Tax Digital for VAT

If your client is not exempt from VAT and their taxable turnover exceeds the threshold, they must sign up to Making Tax Digital for VAT.

Cancel VAT registration

Cancel your client's VAT registration if you're closing the business, transferring ownership or do not need to be VAT registered.

19/09/2021

MAKING TAX DIGITAL FOR BUSINESS OFFICIAL

1

8b. MTD VAT – viewing your client's VAT payments

New agent view windows.....

Agent services account > Your client's VAT details

Your client's VAT details

VAT registration number: 999984111
 ABC Digital Solutions Ltd
[Change client](#)

Next payment due 7 May 2021 Check what you owe	Next return due View return deadlines	History View past payments View past returns
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Manage VAT

Agents cannot access a client's Direct Debit or payment details.

View business details

Change your client's business and contact details or VAT Return dates.

View VAT certificate

View and print your client's VAT certificate.

Sign up for Making Tax Digital for VAT

If your client is not exempt from VAT and their taxable turnover exceeds the threshold, they must sign up to Making Tax Digital for VAT.

Cancel VAT registration

Cancel your client's VAT registration if you're closing the business, transferring ownership or do not need to be VAT registered.

19/09/2021

MAKING TAX DIGITAL FOR BUSINESS OFFICIAL

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Payment type	Payment description	You paid HMRC	HMRC paid you
21 Oct	Return for the period 1 July to 30 September 2020	£1,010	£0
7 Aug	Return for the period 1 April to 30 June 2020	£655	£0
5 Aug	Return for the period 1 April to 30 June 2020	£310	£0

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GOV.UK

Business tax account

[Home](#) [Manage account](#) [Messages](#) [Help and contact](#)

English | [Contact us](#)

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ABC Digital Solutions

What you owe

Return £100 [View return](#)
 For the period 30 Sept to 1 Nov 2020
 Due by 7 Jan 2021 **Overdue**

Payments can take up to 5 days to process.

What I owe is incorrect or missing

If what you owe is incorrect, check if you can [correct errors on your VAT Return \(opens in a new tab\)](#).

After you have submitted a return, it can take 24 hours for what you owe to show here.

[Is this what you owe? \(opens in new tab\)](#)

Agents will be well aware that mandation of MTD VAT to all VAT registered businesses arrives in April 2022.

We are sure that Agents are now very familiar with MTD VAT. But those clients with a taxable turnover below the £85,000 VAT registration threshold may not be, and may need help and support.

2.3 MTD VAT Sign-up Final Reminders

We recently wrote to all VAT customers who are currently mandated for MTD for VAT but who have not yet signed up. The letter was a final reminder in a series of letters issued to businesses and stated that if they do not start using MTD before their next VAT filing deadline, HMRC may charge penalties.

We also wrote to some VAT businesses where it is not clear from the data we hold what their taxable turnover is providing the facility for them to declare if it is the case below £85,000 via an online Google form. We will update our records on receipt of these declarations which will mean that those businesses will not receive ongoing reminders, unless there is a change to their turnover.

From April 2022, businesses with taxable turnover below £85,000 are mandated to MTD VAT meaning all VAT registered businesses will then be using MTD.

2.4 Digital links

A digital link is an electronic or digital transfer, or exchange of data, between software programs, products or applications. Businesses are required to have digital links between software programs on their first VAT return starting on or after 1 April 2021.

We accept that the following are digital links:

- emailing a spreadsheet containing digital records so the information can be imported into another software product
- linked cells in spreadsheets
- transferring a set of digital records onto a portable device (such as a pen drive, memory stick, flash drive) and physically giving this to someone else who then imports that data into their software
- XML, CSV import and export, and download and upload of files
- an automated data transfer
- an API transfer

[VAT Notice 700/22](#) contains more information on digital links and exemptions.

HMRC will be running a series of webinars for VAT customers who will be joining **MTD in April 2022** and will help customers with understanding digital links. Details of dates and how to sign up will shortly be available on GOV.UK.

2.5 Client Direct Debits

We provided an update on the transformation of VAT services in [Agent Update 82](#).

UK Banking Regulations require us to inform customers paying by direct debit of the amount and date their direct debit will be taken.

Due to the very short timeframe between submission of the VAT return and payment of the tax, we are unable to send postal notifications to customers. Instead, we will have to use customers' email addresses to inform them.

We will need to cancel the direct debits of all customers for whom we do not hold an email address prior to moving them to the new system. We will notify all affected customers about this in a letter we will send to them. We started moving these accounts in July 2021 and hope to finish the work by November 2021.

The letter encourages affected customers to regularly log in to their Business Tax Account between July 2021 and November 2021. Once an account has been moved, the customer's Business Tax Account will automatically prompt them to set up a new direct debit and provide a contact email address when they next login.

If new direct debits are not set up customers will be required to pay their VAT via an alternative method.

Details on how to pay your VAT

Unfortunately, we're unable to advise agents exactly when their clients' accounts will be migrated to the new IT platform. When submitting returns on behalf of their clients' agents will sign into the 'old' agent portal as normal.

If the obligation to file their VAT return is there, the return can be submitted. If the obligation is not there, the client's VAT record has been migrated. The agent should login to their Agent Services Account (ASA) and submit the VAT return using the non-MTD filing service within ASA.

2.6 Changes to the VAT Group Registration / Amendments Forms

As part of the introduction of VAT Groups to the new VAT Registration Service (VRS), HMRC has made changes to the VAT Group Registration and Amendment Forms. We have combined the previous VAT50 and VAT51 into one simpler, dynamic form.

The benefits of this are:

- Reduced time taken to complete the VAT Registration and/or Amendments process.
- Avoids delays caused by missing documents being sent to HMRC.
- Removes any duplication of questions.
- Supports the correct identification of the customer in line with the changes made to the VAT Registration Service.

Initially this form will be required for all new VAT Group Registrations from 13 September 2021.

However, in later development to the VAT Registration Service (VRS) we will gather the data for up to 20 members digitally (97% of Group Registrations in 19/20).

The VAT50/51 will still be required as an attachment for Group Registrations for the details of additional members where there are more than 20.

Changes to Group amendments will remain a manual print and post process going forward.

The new VAT50/51 form can be found on GOV.UK and, if you have a saved link to the VAT50 you will be directed to the new form.

We hope this change will be beneficial to both agents and their customers.

3. Making Tax Digital for Income Tax Self Assessment

Making Tax Digital for Income Tax Self-Assessment is being piloted right now and the Making Tax Digital Programme continues to make changes, based on user feedback, to further improve our digital services for agents.

Here are a couple that we would like to tell you about.

3.1 New clients – asking for authorisation and sign up

New clients – asking for authorisation and sign up your client to Making Tax Digital for Income Tax Self-Assessment (Delivered 10 June)

Agents will be able to use their agent services account to ask for a client authorisation for Making Tax Digital for Income Tax before signing up the client. This was not possible for Making Tax Digital VAT, but we have acted on your feedback.

This will make it easier for agents who have new clients needing authorisation for Making Tax Digital Income Tax Self-Assessment. Agents will be able to use their agent services account to complete the authorisation and then proceed to signing up the client to Making Tax Digital without delay.

If agents also need authorisation for the existing Self-Assessment service, they can still use the Self-Assessment for Agents online service and copy the relationship across to Making Tax Digital using their agent services account.

3.2 Agent viewer for MTD ITSA

Agent viewer for Making Tax Digital for Income Tax Self-Assessment new viewer and access to content being deployed

In response to agent feedback we have developed the content on the Agent viewer within the agent services account with regards to clients' Income Tax details.

This is a new service and is available to agents who have clients who have signed up to Making Tax Digital Income Tax Self-Assessment. This will enable agents to view their Income Tax Self-Assessment clients' tax calculation, obligations and payments.

When you start signing up your clients to Making Tax Digital Income Tax Self-Assessment you will be able to use the new Making Tax Digital Income Tax services we are building to enable you to manage your client's tax account online. We will continue to improve the design and add more services.

Agents who take part in the Making Tax Digital Income Tax Self-Assessment pilot will be able to use this new service.

3.3 MTD Income Tax Self Assessment pilot

We are running a pilot for Making Tax Digital Income Tax Self-Assessment to work with software developers, agents and their clients to test the service and help identify and resolve any issues ahead of mandation in April 2023.

We are always happy to have more people join the pilot.

As a reminder of the eligibility to join the pilot, in addition to having digital records and compatible software, more information can be found at [Follow the rules for Making Tax Digital for Income Tax](#).

If any of your clients would be interested in joining the pilot, which is run jointly by HMRC, software developers, agent and client then the best route is to have a discussion with software supplier who will put things in motion.

Customers on the pilot are assured that their submissions will be fully supported throughout the process. In the unlikely event that any glitches are encountered these will be resolved by all parties involved with no detriment to the client.

3.4 Agents can sign up customers in advance of mandation

Making Tax Digital for Income Tax Self-Assessment (MTD ITSA) — Agents can sign-up customers in advance of mandation

It has been confirmed that a bulk sign-up facility for MTD ITSA will not be possible due to several factors including each individual customer having different details to be input.

Agents are reminded that existing client authorisations can be copied across to their Agent Services Account (ASA). This would have been done when your ASA was created but can be repeated at any time as this will copy any new authorisations. Copying across the details will improve the authorisation journey for MTD ITSA.

It is recognised that data will need to be input during the sign-up process for each customer. It is accepted that this could be time consuming if all this had to be done at once, especially if it coincided with other peak demands such as the tax year end or VAT filing for example.

Following discussion with agents, HMRC is working to deploy a solution which will help lessen this workload. Agents will be able to sign up mandated MTD ITSA customers from 6 April 2022. This will not activate MTD obligations but will give agents the opportunity to spread the load of sign-up work across a 12-month period.

The process is being worked on and further information will be issued as we progress. HMRC reaffirms, this will only come into effect from 6 April 2022 and that any sign-ups made before that date would be for the active pilot.

4. GOV.UK guidance

We are working with GOV.UK colleagues and revising content on pages relating to services for agents. The aim of this work is to:

- show clearly that there are 2 accounts for agents, each one allowing agents to manage a different set of taxes on behalf of clients and has its own distinct process for a client to authorise an agent:
 - Agent Services Account (Making Tax Digital, and will become the primary account as services migrate)
 - HMRC online services for agents account (legacy services)
- convey the guidance that de-authorising an agent in agent services from managing an ITSA account does not automatically also de-authorise them from managing Self-Assessment in their legacy account (they will need to sign in and carry out this process separately, therefore mitigating general data protection regulation (GDPR) security problems)
- show what we achieved so far with HMRC's revised or new pages, which include:
 - [authorise an agent to deal with certain tax services for you](#) — (revised)
 - [how to register and get authorised as a tax agent to deal with HMRC](#) — (revised)
 - [change or remove your authorisations as a tax agent](#) — (new)
 - [change or remove your tax agent's authorisation](#) — (new)
 - [how to give staff access to your HMRC online tax agent account](#) — (new)

5. Webinars

We are starting a series of MTD for VAT webinars for businesses who are currently under the threshold but who come in to MTD from April 2022.

The webinars will cover the basics around MTD VAT – you may wish to make your clients aware?

We are working on an ITSA webinar for Agent Talking Points and we know that agents will want more specific detail about the processes, have screenshots etc. This will take time as we are still building functionality all the time.

We would likely look at Spring before holding an Agent Talking Points webinar, but we would very much welcome your thoughts on what should be covered. Please let us know.

Our next Making Tax Digital webinars are due to be held –

Day	Date	Time	Webinar
Wednesday	13-Oct	13:45	MTD for VAT – business owners / managers
Thursday	14-Oct	15:45	MTD for VAT – business owners / managers
Friday	15-Oct	11:45	MTD for VAT – business owners / managers
Monday	18-Oct	09:45	MTD for VAT – business owners / managers
Wednesday	20-Oct	11:45	MTD for VAT – business owners / managers
Thursday	21-Oct	13:45	MTD for VAT – business owners / managers
Friday	22-Oct	11:45	MTD for VAT – business owners / managers
Monday	25-Oct	13:45	MTD for VAT – business owners / managers
Tuesday	26-Oct	11:45	MTD for VAT – business owners / managers
Wednesday	27-Oct	15:45	MTD for VAT – business owners / managers
Thursday	28-Oct	11:45	MTD for VAT – business owners / managers
Friday	29-Oct	13:45	MTD for VAT – business owners / managers

These dates are still to be confirmed and may be subject to change.

Registration on these webinars is via this GOV.UK page:

<https://www.gov.uk/guidance/help-and-support-for-making-tax-digital>

You can also see details and watch previous ITSA webinars –

<https://register.gotowebinar.com/rt/5798060572582050830?source=Gov> -

6. Useful Links

[Help and support for Making Tax Digital](#)

[HMRC service availability and issues page on GOV.UK.](#)

[Sign in to your agent services account](#)

[Making Tax Digital for Corporation Tax](#)

[Consultations Making Tax Digital for Corporation Tax](#)

[Sign Your Client Up for Making Tax Digital ITSA](#)

[Follow the Rules for Making Tax Digital ITSA](#)

[Find Software that is Compatible with Making Tax Digital ITSA](#)

[Making Tax Digital for VAT](#)

[Making Tax Digital for VAT as an agent: step by step](#)

[Check when a business must follow the rules for Making Tax Digital for VAT](#)

[Sign up your client for Making Tax Digital for VAT](#)

[Keep digital records for Making Tax Digital for VAT](#)

[Sign your business up for Making Tax Digital for VAT](#)

[Making Tax Digital for VAT: service availability and issues](#)