Making Tax Digital (MTD)

MTD engagement channels and forums

We have continued engaging with our main MTD stakeholders through the MTD forum with software developer's agent representative bodies and the Admin Burdens Advisory Board (ABAB) We also held the first MTD sub-group meeting with the Large Professional Services Firms forum.

We are also engaging with stakeholders who represent some of our key audiences, such as the Landlord Advisory Group (LAG) and the Trade Advisory Group (TAG).

The next MTD advisory forum is scheduled for the 17 March with agent representative bodies, and we are also planning for the MTD Software Advisory Group (SAG) for the software industry and agent representative bodies.

We are also attending stakeholder events this month, such as the Landlord Investment show, and collaborating on webinars with partners such as the ICAEW and CIOT.

VAT

We continue to deliver MTD for VAT webinars for businesses and agents to support customers with their transition to MTD. We have also written to VAT-registered businesses to remind them to take steps to prepare for Making Tax Digital before it becomes mandatory for all VAT-registered businesses from 1 April this year.

We will continue to engage with businesses and agents to support them ahead of the changes in April.

ITSA

We continue to work closely with customers and software providers to identify and bring customers into the ITSA pilot, and held the Software Developer Forum in February, focusing on the pilot. We are also attending a series of events with the software developer community this month. We are hoping to provide a further verbal update on the MTD for ITSA pilot at the meeting.

Cyber Security

Be wary of unexpected emails

The most familiar warnings from cyber security companies are always about email threats. Although the message gets monotonous, it's with good reason. Email is one of the most successful routes for criminals to target victims and install malicious software on their computers. Recently, HMRC have been helping a number of accountancy firms that were caught out by expertly crafted, deceptive messages.

These attacks highlight why it is important to have layers of defence, and anti-virus tools will not always keep you safe. In this case, criminals have made use of a commercial application for providing remote desktop assistance. These popular products are used by a range of IT and software support teams to remotely access a customer's computer and make a few changes to resolve their issues. These products aren't classed as a 'virus', but they can provide a lot of capability to someone with malicious intent. By disguising the installer program as an invoice on a convincing email

from a familiar company, the attacker has duped victims into running the attached file. The anti-virus programs see no issue with this familiar and trusted software. The recipient is left confused why the invoice won't open but has provided the attacker with the opportunity to remotely operate and inspect the contents of their computer at their leisure.

Some of the lessons from this example include:

- Check the email address of the sender. Does that look credible compared to the sender's name? Would a big company with its own website be using a different address, or a free email account?
- Don't open a file attached to an email unless you're expecting it. Most companies require you to log in to see bills and personal information, they won't attach it to an email.
- Be vigilant when opening email attachments. Criminals may disguise programs as benign documents or use macros or other features in documents to run malicious programs on your computer. Don't assume the icon displayed for the file is accurate. Check the file extension (for example .pdf, .docx, .odt) before opening it, and avoid programs (for example .exe, .msi, .com) and don't enable active content in Office files unless you're sure it is genuine.

The National Cyber Security Centre provides helpful guidance about the layers of defences, you can employ at your company to reduce the chances of becoming a victim to such attacks.

VAT

Migration of VAT data from the old system to the new Enterprise Tax Management Platform (ETMP) is expected to complete August 2022. The nature and complexity of data migration has resulted in additional time being required to ensure the data, much of which is transactional data, lands accurately in ETMP without any detrimental impact on our customers or our operation. The project remains on track for August 2022.

We remain in a controlled go live phase for the remaining customer groups awaiting migration. This is due to complete in April when we will gradually move into large scale daily migration of the remaining records.

Liabilities and payments viewer

As advised in the February briefing, we discovered some issues within the service as we rolled it out to more agents. One of the benefits of building services in an agile way is it provides an opportunity to iron out issues and take account of feedback while the service is being extended to more and more users.

Our technical team has been working very hard to resolve the issues and we are now in the process of rigorously testing the service again before rolling it out further in March.

This means we've had to adjust our timelines slightly.

- Extend to circa 4,000 agents who were not on the list in 2018, now planning for this by 31 March 2022
- Extend to the final largest agents (with over 7,500 clients) now planning for this by 31 March 2022

Agent Forum (AF)

As at the end of February 2022 the Forum had 2077 registered subscribers with 30 joining in February, including Professional Bodies, which exceeds the amount of 1229 users signed up to its predecessor forum. Registrations will continue to grow as new Agents are invited to register as part of their email Agent journey and promotion through Agent Update. We are also stepping up our recruitment of internal HMRC users.

Participation and issues traffic are also increasing. In 21/22 we have received 958 widespread issues so far, dealing with and closing 930 across all Heads of Duty. We are continuing 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) and Job Retention Scheme (JRS).

We have set-up two new boards, one for Agent Forum user information which will make the guidance easy to access and one for the Issues Overview Group (IOG) escalated issues. We have, in conjunction with our 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. All posts are moderated daily with appropriate responses given, as determined by subject matter, related traffic generated, and referrals provided by lines 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 5.5 FTE Moderators.